



LLOYDS TSB BANK plc

(acting through its London office)

(incorporated in England with limited liability under the Companies Act 1862
and the Companies Act 1985 with registered number 2065)

Note, Certificate and Warrant Programme

This Prospectus (the “**Prospectus**”) is issued in connection with the Programme (as defined below). Any Securities (as defined below) issued under the Programme on or after the date of this Prospectus are issued subject to the provisions described herein. This does not affect any Securities already in issue. Under the terms of its Note, Certificate and Warrant Programme (the “**Programme**”), Lloyds TSB Bank plc (the “**Bank**” or “**Lloyds TSB Bank**”) may from time to time issue either (i) notes (“**Notes**”), (ii) redeemable certificates (“**Redeemable Certificates**”), (iii) exercisable certificates (“**Exercisable Certificates**”) or warrants which have an exercise period or date (such warrants and Exercisable Certificates together, “**Warrants**”, and Redeemable Certificates and Warrants together, “**C&W Securities**”, and C&W Securities together with the Notes (“**Securities**”)) which may or may not relate to an underlying asset or a basket of underlying assets.

Notes will be issued (i) on the terms set out under “*Terms and Conditions of the Notes*” (the “**Base Note Conditions**” and each a “**Base Note Condition**”), (ii) on the terms set out under “*General Terms and Conditions applicable to all Securities*” (the “**Base General Conditions**”), (iii) on such additional terms as set out in a final terms document (the “**Note Final Terms**”) and (iv) on any further terms set out under “*Product Specific Terms and Conditions*” specified to be applicable in the Note Final Terms, (the “**Product Conditions**”, together with the Base Note Conditions, the Base General Conditions and any additional terms in the Note Final Terms, the “**Note Conditions**”). C&W Securities will be issued (i) on the terms set out under “*Terms and Conditions of the C&W Securities*” (the “**Base C&W Conditions**” and each a “**Base C&W Condition**”), (ii) on the terms set out in the Base General Conditions, (iii) on such additional terms as set out in a final terms document (the “**C&W Final Terms**” and together with the Note Final Terms, the “**Final Terms**”) and (iv) on any Product Conditions specified to be applicable in the C&W Final Terms (such Product Conditions, together with the Base C&W Conditions, the Base General Conditions and any additional terms in the C&W Final Terms, the “**C&W Conditions**” and, together with the Note Conditions, the “**Conditions**”). Securities of any kind may be issued, including, but not limited to, Securities relating to a specified index or a basket of indices (“**Index Linked Securities**”) on the terms set out under “*Index Linked Product Conditions*”, a specified inflation index or a basket of inflation indices (“**Inflation Linked Securities**”) on the terms set out under “*Inflation Linked Product Conditions*”, a specified share or a basket of shares (“**Equity Linked Securities**”) on the terms set out under “*Equity Linked Product Conditions*”, a specified currency or a basket of currencies (“**Currency Linked Securities**”) on the terms set out under “*Currency Linked Product Conditions*”, a specified commodity or commodity index or a basket of commodities and/or commodity indices (“**Commodity Linked Securities**”) on the terms set out under “*Commodity Linked Product Conditions*” or any combination of the foregoing.

As at the date of this Prospectus: (i) long-term senior obligations of the Bank are rated “A” by Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”), “A1” by Moody’s Investors Service Ltd. (“**Moody’s**”) and “A” by Fitch Ratings Limited (“**Fitch**”); and (ii) short-term obligations of the Bank are rated “A-1” by S&P, “P-1” by Moody’s and “F1” by Fitch. Each of Fitch, Moody’s and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Each Tranche (as defined herein) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**” and, together with the temporary Global Notes, the “**Global Notes**”) and each Tranche of Notes in registered form will be replaced on issue by a global note certificate in registered form (each a “**Global Note Certificate**”).

Each issue of Warrants will entitle the holder (the “**Warrantholder**”) on the exercise date to receive either a cash amount (if any) or physical delivery of the underlying assets (if any) against payment of a specified sum, subject as set out herein and in the relevant Final Terms.

Each issue of Redeemable Certificates will entitle the holder (the “**Redeemable Certificateholder**”) on the redemption date to receive either a cash amount (if any) or, subject to delivery of an Asset Transfer Notice (as defined herein), physical delivery of the underlying assets (if any), subject as set out herein and in the relevant Final Terms.

Securities issued under the Programme will be rated or unrated. Where an issue of Securities is to be rated, such rating will not necessarily be the same as the rating assigned to Securities already issued. Whether or not a rating in relation to any Securities will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Securities.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities may involve a high degree of risk and prospective purchasers should recognise that Securities, other than Securities having a minimum expiration or redemption value, may expire worthless. Potential purchasers should be prepared to sustain a total loss of their investment. It is the responsibility of potential purchasers to ensure 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 Securities and are not relying on the advice of the Bank or any Dealer. See “*Risk Factors*” and “*Taxation*”.

Any person (an “**Investor**”) intending to acquire or acquiring any Securities from any person (an “**Offeror**”) should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 (the “**FSMA**”), the Bank may only be responsible to the Investor for this Prospectus under section 90 of the FSMA if the Bank has authorised the Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Bank. If the Offeror is not authorised by the Bank, the Investor should check with the Offeror whether anyone is responsible for this 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 this Prospectus and/or who is responsible for its contents, it should take legal advice. **Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive (defined below) is not contained in this Prospectus or the relevant Final Terms, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.** This does not affect any responsibility which the Bank may otherwise have under applicable laws.

The Bank will not be liable for, or otherwise obliged to pay, any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise, redemption or enforcement of any Security by any person and all payments and/or deliveries made by the Bank shall be made subject to any such tax, duty, withholding or other payment.

Application has been made to the Financial Services Authority in its capacity as competent authority (the “**UK Listing Authority**”) under the FSMA for Securities issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the Official List of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Securities to be admitted to trading on its Regulated Market (the “**Market**”). The Market is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). The Programme provides that Securities may be listed and/or admitted to trading on such other or additional stock exchange(s) as may be agreed between the Bank and the relevant Dealer(s). The Bank may also issue unlisted Securities.

The Final Terms for an issue of Securities which are to be admitted to trading on a regulated market or offers which do not fall within Article 3.2 of the Prospectus Directive will be delivered to the UK Listing Authority and made available, free of charge, to the public at the registered office of the Bank and at the offices of the relevant Dealer(s), if any, and the Fiscal Agent, CMU Fiscal Agent, the Principal Certificate and Warrant Agent and the CMU Certificate and Warrant Agent, as the case may be.

Unless otherwise specified in the relevant Final Terms, on the date of issue of the relevant Securities, Securities will be represented by a global security deposited with a common depository on behalf of Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”) or, in the case of CMU Securities, a sub-custodian for the CMU Service operated by the Hong Kong Monetary Authority (the “**HKMA**”) or, in the case of Swedish Registered Securities, no global securities or definitive securities will be issued and Swedish Registered Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Sweden AB (“**Euroclear Sweden**”) and the Conditions shall be construed accordingly. The Bank may issue Securities which are clearable through clearing systems other than or in addition to Clearstream, Luxembourg and Euroclear as set out in the relevant Final Terms.

If the Global Notes are stated in the relevant Final Terms to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. If a Global Note Certificate is held under the new safekeeping structure (the “**NSS**”), the Global Note Certificate will be delivered on or prior to the original issue date of the

relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Global Notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Global Note Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Notes in registered form (“**Registered Notes**”) will be represented by registered note certificates (each a “**Note Certificate**”).

Investors may also hold interests in the Securities through Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) (“**CREST**”) through the issuance of dematerialised depository interests (“**CREST Depository Interests**” or “**CDIs**”) issued, held, settled and transferred through CREST, representing interests in the relevant Securities underlying the CDIs (the “**Underlying Securities**”). CREST Depository Interests are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited (the “**CREST Depository**”) pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the “**CREST Deed Poll**”). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Bearer Notes are described in “*Summary of Provisions Relating to the Notes while in Global Form*”.

Arranger

BofA Merrill Lynch

Co-Arranger

Lloyds Bank

Dealers

Barclays

BofA Merrill Lynch

Commerzbank

Credit Suisse

Deutsche Bank

Goldman Sachs International

J.P. Morgan Cazenove

Mizuho International plc

Nomura

SMBC Nikko

The Royal Bank of Scotland

UniCredit Bank

BNP PARIBAS

Citigroup

Crédit Agricole CIB

Daiwa Capital Markets Europe

DZ BANK AG

HSBC

Lloyds Bank

Morgan Stanley

RBC Capital Markets

Standard Chartered Bank

UBS Investment Bank

Wells Fargo Securities

This Prospectus comprises a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Bank and the Bank and its subsidiary and associated undertakings (the “**Lloyds TSB Bank Group**”) which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Bank.

The Bank (the “**Responsible Person**”) accepts responsibility for the information contained 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.

The previous paragraph should be read in conjunction with the third paragraph on the second page of this Prospectus. Where the Securities relate to an underlying reference equity security (or basket of equity securities), an index (or basket of indices), an inflation index (or basket of inflation indices), a currency (or basket of currencies), a commodity or commodity index (or basket of either) or other basis of reference (if any) (each a “**Reference Item**”), any information contained therein relating to any Reference Item 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 any such Reference Item. The Bank accepts responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) and, so far as the Bank 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, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Securities may not be a suitable investment for all investors. Each potential investor in any Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Prospectus or any applicable Supplemental Prospectus or any applicable drawdown prospectus and all information contained in the relevant 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 relevant Securities and the impact such investment 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 relevant Securities, including where principal or interest is 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 relevant Securities and be familiar with the behaviour of any relevant indices and financial markets;**
- (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; and**
- (vi) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Securities.**

In addition, an investment in Index Linked Securities, Inflation Linked Securities, Equity Linked Securities, Currency Linked Securities, Commodity Linked Securities or other Securities linked to other assets or bases of reference or combination thereof may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in “*Risks related to the structure of a particular issue of Securities*”.

Some Securities are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing

conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

The Securities and, in certain cases, the underlying assets or Asset Amount (as defined below) have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities authority of any state or other jurisdiction of the United States, and any Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, securities may not be offered, sold or, in the case of Notes in bearer form, delivered in the United States or to U.S. persons, nor, subject to certain exceptions, may any U.S. persons at any time trade or maintain a position in such Securities.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

The Company is a non-operating holding company which carries on all of its trading activities through its direct subsidiary, the Bank. Accordingly, save for the issuance and ongoing management of certain capital instruments by the Company and certain of its subsidiaries, the consolidated financial statements of the Company and the Bank are similar in all material respects, and the financial and other information relating to the Company incorporated by reference in this Prospectus has been included as it is more detailed and places the activities of the Bank in the context of the operations of the Group.

No person is or has been authorised to give any information or to make any representation other than as contained in this Prospectus in its entirety in connection with the offering of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank or any of the Dealers, the Arranger or the Co-Arranger (each as defined in "*Summary of the Programme*"). Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank or Lloyds TSB Bank Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Neither this Prospectus nor any other information supplied in connection with the Programme or any Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation, or constituting an invitation or offer by the Bank or any of the Dealers, that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Securities should purchase any Securities. Each prospective investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Bank. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Securities constitutes an offer of, or an invitation by or on behalf of the Bank or any of the Dealers to any person to subscribe for or purchase, any Securities.

Warrants create options which are either exercisable by the relevant holder or which will be automatically exercised (by the Principal Warrant and Certificate Agent on behalf of each Warranthead) as provided herein. There is no obligation upon the Bank to pay any amount or deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Warrant is automatically exercised and, in each case, unless, in the case of Cash Settled Securities (as defined below), Automatic Exercise: No delivery of C&W Exercise Notice is specified as applying in the relevant Final Terms, a C&W Exercise Notice (as defined below) is duly delivered. Warrants will be exercised or will be exercisable in the manner set forth herein and in the relevant Final Terms. In order to receive payment of any amount or delivery of any asset due under a Security, the Warranthead will, unless, in the case of Cash Settled Securities, Automatic Exercise: No delivery of C&W Exercise Notice is specified as applying in the relevant Final Terms, be required to deliver a C&W Exercise Notice which includes, *inter alia*, a certification (in accordance with the provisions outlined in "*Terms and Conditions of the C&W Securities*") that such Warranthead is not a U.S. person or a person who has purchased such Warrant for resale to U.S. persons, that it is not exercising such Warrant within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof.

Redeemable Certificates and Notes shall be redeemed on the redemption date by payment of the Cash Settlement Amount (as defined below) (in the case of Cash Settled Securities) and/or by delivery of the Asset Amount (in the case of Physical Delivery Securities (as defined below)). In order to receive the Asset Amount, the holder of a Redeemable Certificate or a Note will be required to deliver an Asset Transfer Notice which includes, *inter alia*, a certification (in accordance with the provisions outlined in “*Terms and Conditions of the Notes*” or “*Terms and Conditions of the C&W Securities*”, as the case may be) that such holder of a Redeemable Certificate or of a Note is not a U.S. person or a person who has purchased such Redeemable Certificate for resale to U.S. persons, that it is not redeeming such Redeemable Certificate within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the redemption thereof.

The Bank may issue Securities to one or more Dealers and/or any additional or other dealer of an issue of Securities from time to time. Securities not initially sold by a Dealer will be held by such Dealer or an Affiliate or Affiliates of such Dealer and may be retained or sold by such Dealer or such Affiliate or Affiliates from time to time in such amounts and at such prices as such Dealer or such Affiliate or Affiliates may determine. There is no obligation upon any Dealer to sell all of the Securities of any issue. No representation or warranty or other assurance is given as to the number of Securities of a Series (as defined below) issued or outstanding at any time.

In relation to any issue of Securities, the Bank may appoint a Dealer to offer such Securities in such country or countries and on such terms as may be specified in the relevant Final Terms. Each Dealer and its address in relation to any issue of Securities and all other relevant terms relating to the offer of such Securities will be set forth in the relevant Final Terms.

To the fullest extent permitted by law, no Dealer accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by a Dealer or on its behalf in connection with the Bank or the issue and offering of the Securities. Each Dealer accordingly disclaims all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the relevant Dealer, the Arranger or the Co-Arranger as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Bank in connection with the Programme. Neither the relevant Dealer, the Arranger nor the Co-Arranger accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Bank in connection with the Programme.

Subject as provided in the relevant Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Securities are the persons named in the relevant Final Terms as the relevant Dealer or any other persons named or referred to in the section “Non-exempt offer” of the Final Terms (if any), as the case may be.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Securities shall at any time imply that the information contained herein concerning the Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or any Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Bank during the life of the Programme. Investors should review, *inter alia*, the documents incorporated herein by reference when deciding whether or not to purchase any Securities.

The distribution of this Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Bank, the Dealers, the Arranger and the Co-Arranger to inform themselves about and to observe any such restriction. The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and include Securities in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for the accounts or benefit of, U.S. persons. The Securities are being offered and sold outside the United States to persons that are not U.S. persons (as defined in

Regulation S (“**Regulation S**”) under the Securities Act) in reliance on Regulation S. For a description of certain restrictions on offers and sales of Securities and on distribution of this Prospectus, see “*Offering and Sale*”.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Securities or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. In connection with any issue of Securities or otherwise, the Bank and/or any of its Affiliates may acquire and/or maintain positions in the underlying asset(s) relating to such Securities but neither the Bank nor any of its Affiliates will have any obligation to acquire or maintain any such position.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “**£**”, “**pounds**” and “**Sterling**” are to pounds sterling, references to “**U.S. dollars**” and to “**U.S.\$**” are to United States dollars, references to “**Yen**” are to Japanese Yen, references to “**Renminbi**”, “**RMB**” and “**CNY**” are to the lawful currency of the PRC and references to “**€**” and “**Euro**” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In this Prospectus, references to “**PRC**” are to the People’s Republic of China which, for the purpose of this Prospectus, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan.

In this Prospectus, references to “**CNH Securities**” are to Notes, Certificates and Warrants denominated in CNY or Renminbi deliverable in Hong Kong and references to CNH Notes, CNH Certificates and CNH Warrants shall be construed accordingly.

In this Prospectus, references to “**CMU Securities**” are to Notes, Certificates and Warrants denominated in any lawful currency which the Central Moneymarkets Unit Service (the “**CMU Service**”) accepts for settlement from time to time that are, or are intended to be, cleared through the CMU Service, and references to CMU Notes, CMU Certificates and CMU Warrants shall be construed accordingly.

In this Prospectus, references to “**Swedish Registered Securities**” are to Securities that are Notes, Warrants or Certificates (other than Exercisable Certificates) in uncertificated and dematerialised book-entry form issued in accordance with the Swedish Financial Instruments Accounts Act (*Sw. lag om kontoföring av finansiella instrument* (1998:1479)), and references to Swedish Registered Notes, Swedish Registered Certificates and Swedish Registered Warrants shall be construed accordingly. Any references in the Conditions to Coupons, or Global Securities, as the case may be, shall not apply to Swedish Registered Securities. Swedish Registered Securities of one Specified Denomination, Nominal Amount or Calculation Amount may not be exchanged for Swedish Registered Securities of another Specified Denomination, Nominal Amount or Calculation Amount, as applicable.

In connection with the issue of any Tranche (as defined in “*Summary of the Programme*”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche 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 and 60 days after the date of the allotment of the relevant Tranche. 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.

CERTAIN DEFINITIONS

In this Prospectus, reference to:

- (i) “**Acquisition**” is to the acquisition by Lloyds TSB Group plc of 100 per cent. of the ordinary share capital of HBOS plc on 16 January 2009. Upon completion of the Acquisition, Lloyds TSB Group plc changed its name to Lloyds Banking Group plc. Accordingly, where in this Prospectus information is presented for dates prior to 16 January 2009, unless otherwise indicated, such information relates to Lloyds Banking Group prior to the Acquisition;
- (ii) “**Affiliate**” is to, in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity, where, for these purposes, “**control**” means ownership of a majority of the voting power of an entity;
- (iii) “**BOS**” is to Bank of Scotland plc;
- (iv) “**Company**” is to Lloyds Banking Group plc;
- (v) “**FSA**” is to the United Kingdom Financial Services Authority;
- (vi) “**FSMA**” is to the Financial Services and Markets Act 2000;
- (vii) “**Group Reorganisation**” is to the transfer by Lloyds Banking Group plc of its holding in HBOS plc to Lloyds TSB Bank plc on 1 January 2010;
- (viii) “**HBOS**” or “**HBOS Group**” is to HBOS plc and its subsidiary and associated undertakings;
- (ix) “**Issuer**” is to the Bank;
- (x) “**Lloyds Banking Group**”, “**Lloyds**” or the “**Group**” is to the Company and its subsidiary and associated undertakings;
- (xi) “**Lloyds TSB Bank**” or “**Bank**” is to Lloyds TSB Bank plc;
- (xii) “**Lloyds TSB Bank Group**” is to the Bank and its subsidiary and associated undertakings;
- (xiii) “**Lloyds TSB Group**” is to the Company and its subsidiary and associated undertakings but excluding the HBOS Group;
- (xiv) “**RNS**” is to the Regulatory News Services, a news service provided by the London Stock Exchange; and
- (xv) “**UK**” is to the United Kingdom.

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FORWARD LOOKING STATEMENTS

Certain statements included herein may constitute forward-looking statements with respect to the business, strategy and plans of the Bank, Lloyds TSB Bank Group or the Group and their current goals and expectations relating to their future financial condition and performance. Statements that are not historical facts, including statements about the Bank's, Lloyds TSB Bank Group's or the Group's or their respective directors' and/or management's beliefs and expectations, are forward-looking statements. Words such as 'believes', 'anticipates', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'estimate' and variations of these words and similar future or conditional expressions are intended to identify forward looking statements but are not the exclusive means of identifying such statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future.

Examples of such forward looking statements include, but are not limited to, projections or expectations of the Bank's or the Group's future financial position including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, expenditures or any other financial items or ratios; statements of plans, objectives or goals of the Bank or the Group or their respective management including in respect of certain synergy targets; statements about the future business and economic environments in the United Kingdom ("UK") and elsewhere including future trends in interest rates, foreign exchange rates, credit and equity market levels and demographic developments; statements about competition, regulation, disposals and consolidation or technological developments in the financial services industry; and statements of assumptions underlying such statements.

Factors that could cause actual business, strategy, plans and/or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by the Bank or the Group or on the Bank's or the Group's behalf include, but are not limited to, the risks identified herein under "Risk Factors"; general economic and business conditions in the UK and internationally; inflation, deflation, interest rates and policies of the Bank of England, the European Central Bank and other G8 central banks; fluctuations in exchange rates, stock markets and currencies; the ability to access sufficient funding to meet the Group's liquidity needs; changes to the Group's credit ratings; the ability to derive cost savings and other benefits including, without limitation, as a result of the integration of HBOS and the Group's simplification procedures; changing demographic developments including mortality and changing customer behaviour including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; instability in the global financial markets including Euro-zone instability; technological changes; natural and other disasters, adverse weather and similar contingencies outside the Bank's and the Group's control; inadequate or failed internal or external processes, people and systems; terrorist acts and other acts of war or hostility and responses to those acts; geopolitical, pandemic or other such events; changes in laws, regulations, taxation, accounting standards or practices; regulatory capital or liquidity requirements and similar contingencies outside the Bank's and the Group's control; the policies and actions of governmental or regulatory authorities in the UK, the European Union, the U.S. or elsewhere; the ability to attract and retain senior management and other employees; requirements or limitations imposed on the Group as a result of HM Treasury's investment in the Group; the ability to complete satisfactorily the disposal of certain assets as part of the Group's EU State Aid obligations; the extent of any future impairment charges or write-downs caused by depressed asset valuations; market related trends and developments; exposure to regulatory scrutiny, legal proceedings or complaints; changes in competition and pricing environments; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors; and the success of the Group in managing the risks of the foregoing.

The Bank or the Group may also make or disclose written and/or oral forward-looking statements in reports filed with or furnished to the U.S. Securities and Exchange Commission, the Bank's and the Group's annual reviews, half year announcements, proxy statements, offering circulars, prospectuses, press releases and other written materials and in oral statements made by the directors, officers or employees of the Bank or the Group to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward-looking statements contained in this Prospectus are made as of the date hereof, and the Bank expressly disclaims

any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Prospectus to reflect any change in the Bank or the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents:

Lloyds TSB Bank plc financial statements:

- (i) The Bank's Annual Report and Accounts 2011 including the audited consolidated annual financial statements of the Bank for the financial year ended 31 December 2011, together with the audit report thereon, as set out on pages 17 to 143 and 15 to 16, respectively (the "**Bank's 2011 Annual Report**"); and
- (ii) The Bank's Annual Report and Accounts 2010 including the audited consolidated annual financial statements of the Bank for the financial year ended 31 December 2010, together with the audit report thereon, as set out on pages 12 to 129 and 10 to 11, respectively.

Lloyds Banking Group plc financial statements:

- (i) The audited consolidated financial statements of the Company for the financial year ended 31 December 2011, together with the audit report thereon, as set out on pages 208 to 343 and 206 to 207, respectively, of the Company's Annual Report and Accounts 2011 (the "**Company's 2011 Annual Report**"); and
- (ii) The audited consolidated financial statements of the Company for the financial year ended 31 December 2010, together with the audit report thereon, as set out on pages 146 to 270 and 144 to 145, respectively, of the Company's Annual Report and Accounts 2010.

Other documents incorporated by reference:

- (i) The section entitled "Terms and Conditions of the Securities" on pages 77 to 173 of the Base Prospectus dated 6 June 2011 relating to the Lloyds TSB Bank plc Certificate and Warrant Programme.

all of which have been previously published and filed with the FSA and which shall be deemed to be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any documents or information themselves incorporated by reference in, or cross-referred to in, the documents incorporated by reference in this Prospectus shall not form part of this Prospectus unless also separately incorporated by reference above. In each case, where only certain sections of a document referred to above are incorporated by reference in the Prospectus, the parts of the document which are not incorporated by reference are either not relevant to prospective investors in the Securities or covered elsewhere in this Prospectus.

The Company is a non-operating holding company which carries on all of its trading activities through its direct subsidiary, the Bank. Accordingly, save for the issuance and ongoing management of certain capital instruments by the Company and certain of its subsidiaries, the consolidated financial statements of the Company and the Bank are similar in all material respects, and the financial and other information relating to the Company incorporated by reference in this Prospectus has been included as it is more detailed and places the activities of the Bank in the context of the operations of the Group.

The Bank will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated in whole or in part by reference herein. Written or oral requests for such documents should be directed to the Bank at its principal office set out at the end of this Prospectus.

The Bank will, in the event of any significant new factor, material mistake or inaccuracy relating to information included or incorporated by reference in this Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to this Prospectus (a "**Supplemental Prospectus**") or publish a new prospectus for use in

connection with any subsequent issue of Securities. The Bank has undertaken to the Dealers in the Dealer Agreement (as defined in “*Offering and Sale*”) that it will comply with section 87G of the FSMA.

PRESENTATION OF FINANCIAL INFORMATION

In this Prospectus, references to the “**consolidated financial statements**” or “**financial statements**” are to Lloyds Banking Group’s consolidated financial statements included in the Company’s 2011 Annual Report, unless indicated otherwise.

The consolidated financial statements of the Company and the Bank incorporated by reference within this Prospectus have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union (the “**EU**”).

SUMMARY OF THE PROGRAMME

*This summary must be read as an introduction to this Prospectus and any decision to invest in the Securities 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 (an “**EEA State**”), no civil liability will attach to the Responsible Person 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 an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.*

Terms and expressions defined in the Conditions and the form of Final Terms shall have the same meanings in this Summary.

Information relating to the Bank

Issuer

Lloyds TSB Bank plc

Business

Lloyds TSB Bank plc (the “**Bank**”) was incorporated in England and Wales on 20 April 1865 (Registration number 2065). The Bank’s registered office is at 25 Gresham Street, London EC2V 7HN. The Bank is a wholly owned subsidiary of Lloyds Banking Group plc (the “**Company**”). The Company and its subsidiary and associated undertakings are referred to as “**Lloyds Banking Group**” or “**Lloyds**” or the “**Group**”.

The businesses of Lloyds are in or owned by the Bank. Lloyds is a leading UK-based financial services group, providing a wide range of banking and financial services in the UK and a limited number of locations overseas to personal and corporate customers. Its main business activities are retail, commercial and corporate banking, general insurance, and life, pensions and investment provision.

Risk Factors

Risks relating to the Group

Investors should note that the risks that are stated to apply to “the Group” apply also to the Bank.

- Relating to the shareholding of The Commissioners of Her Majesty’s Treasury.
- Arising from certain undertakings provided to Her Majesty’s Treasury in relation to the operation of the Group’s business.
- Associated with state aid obligations.
- Arising from general and sector specific economic conditions in the UK and other markets and further adverse economic developments, including credit rating downgrades of sovereigns.
- Of material negative changes to the estimated fair values of financial assets of the Group.
- Relating to borrower and counterparty credit quality.
- Relating to concentrations of credit and market risk.
- Concerning the Group’s access to liquidity and sources of funding.

- Relating to the Group's insurance businesses and employee pension schemes.
- Associated with the proposed new UK regulatory architecture.
- Relating to adverse regulatory developments or changes in UK Government or EU policy.
- Associated with the Banking Act 2009.
- Relating to competition and related issues, including the Independent Commission on Banking.
- Associated with changes in taxation rates, accounting policy, law or interpretation of the law.
- That the Group could fail to attract or retain senior management or other key employees.
- Of assumptions and estimates on which the Group's financial statements are based being wrong.

**Risks relating to the Securities and CREST
Depository Interests**

- Securities may involve a high degree of risk.
- There are certain material factors for the purpose of assessing the market risks associated with investing in any issue of Securities, which include, without limitation, the fact that: Securities are unsecured obligations of the Bank; there may be a time lag between valuation and settlement in relation to a Security; there may be potential conflicts of interest; market disruptions or other events may occur in respect of the particular Reference Item(s) (if any) to which the amounts payable and/or deliverable in respect of the relevant Securities may relate, as specified in the relevant Final Terms; there may be taxation risks; there may be a substitution of the Bank; there may be the risk that performance of the Bank's obligations under the Securities may become illegal; there may be exchange rate risks and exchange controls; and the market value of the Securities may be affected by the creditworthiness of the Bank or the Group and a number of additional factors.
- There is no assurance that a liquid secondary market for certain Securities will develop or continue.
- Certain Securities may be subject to early redemption at the Bank's discretion.
- The Bank may issue Securities with interest calculations in one or more currencies which may differ from the currency in which the principal of the Securities is denominated.
- In addition, prospective investors in Reference Item Linked Securities (as defined in "*Risk Factors – Risks related to Reference Items*") should understand the risks of transactions involving such Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set

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

- Investors who hold through CREST through the issuance of CDIs (“**CDI Holders**”) hold or have an interest in a separate legal instrument, will have only indirect interests in the Underlying Securities and will be subject to external provisions.
- Where the relevant Final Terms specify one or more Reference Items, the relevant Securities will represent an investment linked to the performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in the Securities will depend upon the performance of the relevant Reference Item(s).
- Associated with certain provisions of the U.S. Internal Revenue Code (commonly referred to as “**FATCA**”).
- Renminbi is not freely convertible and it has limited availability outside of the People’s Republic of China, which may affect the liquidity of any CNH Securities.

PROSPECTIVE INVESTORS MUST REVIEW THE RELEVANT FINAL TERMS TO DETERMINE THE RELEVANT REFERENCE ITEM(S) (IF ANY) AND TO SEE HOW THE CASH SETTLEMENT AMOUNT OR ASSET AMOUNT, AND ANY PERIODIC PAYMENTS, ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED SECURITIES.

Information relating to the Programme

Description

Note, Certificate and Warrant Programme

Arranger

Merrill Lynch International

Co-Arranger

Lloyds TSB Bank plc

Dealers

Barclays Bank PLC

BNP PARIBAS

Citigroup Global Markets Limited

Commerzbank Aktiengesellschaft

Crédit Agricole Corporate and Investment Bank

Credit Suisse Securities (Europe) Limited

Daiwa Capital Markets Europe Limited

Deutsche Bank AG, London Branch

DZ BANK AG Deutsche Zentral-Genossenschaftsbank Frankfurt am Main

Goldman Sachs International

HSBC Bank plc

J.P. Morgan Securities Ltd.

	<p>Lloyds TSB Bank plc Merrill Lynch International Mizuho International plc Morgan Stanley & Co. International plc Nomura International plc RBC Europe Limited SMBC Nikko Capital Markets Limited Standard Chartered Bank The Royal Bank of Scotland plc UBS Limited UniCredit Bank AG Wells Fargo Securities International Limited</p>
	<p>(together, the “Dealers”). The Bank may terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Series, Tranches of Securities or the Programme.</p>
Fiscal Agent, Principal Certificate and Warrant Agent, Registrar and Transfer Agent	Citibank N.A., London Branch
CMU Fiscal Agent and CMU Lodging Agent	Citicorp International Limited
Calculation Agent	Citibank N.A., London Branch or such other calculation agent specified in the relevant Final Terms.
Currencies	Subject to all relevant laws, regulations and directives, any currency agreed between the Bank and the relevant Dealer(s).
Maturities	Subject to all relevant laws, regulations and directives, any maturity.
Denomination/Number	Securities will be in such denominations specified in the relevant Final Terms, save that the minimum denomination of each Security shall be at least the minimum amount allowed or required by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Method of Issue	The Securities will be syndicated or non-syndicated and will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (other than in respect of the first payment of interest), the Securities of each Series being intended to be interchangeable with all other Securities of that Series. Each Series may be issued in tranches (each a “ Tranche ”) on the same or different issue dates.
Type of Securities	<p>The Bank may from time to time issue Notes, Redeemable Certificates, Exercisable Certificates or Warrants (together “Securities”), of any kind, including, but not limited to, Index Linked Securities, Inflation Linked Securities, Equity Linked Securities, Currency Linked Securities and Commodity Linked Securities.</p> <p>Warrants may either be European Style Warrants or American Style Warrants or as specified in the relevant Final Terms.</p>
Settlement	The Securities may be cash settled or physically settled.

Fixed Rate Securities	Fixed interest will be payable in arrear on the date(s) in each year and at the rate specified in the relevant Final Terms.
Floating Rate Securities	Floating Rate Securities will bear interest on the same basis as the floating rate under a notional interest rate swap transaction, or by reference to LIBOR, EURIBOR or such other benchmark specified in the relevant Final Terms and/or as specified in the relevant Final Terms.
Zero Coupon Securities	Zero Coupon Securities may be issued at their nominal amount or at a discount to it and will not bear interest, except that any overdue principal will bear interest from the Maturity Date at a rate equal to the Amortisation Yield.
Reference Item Linked Securities	The Bank may from time to time issue Securities where the settlement amount and/or a redemption amount and/or interest amount will be calculated by reference to a single index (including a commodity, equity or inflation index), equity, currency, commodity or basket of any such type(s) of reference item (or a combination of any of them). If a disruption or certain other events occur, the Securities may be subject to adjustment, the case relevant Reference Item may be substituted, or the Bank may redeem or cancel the Securities. The settlement amount, redemption amount or interest amount of Reference Item Linked Securities may be made by reference to a formula as specified in the relevant Final Terms or drawdown prospectus.
Other Securities	Terms applicable to any other type of Security that the Bank may issue under the Programme will be set out in the Final Terms and/or any drawdown prospectus.
Maximum/Minimum Interest Rate	Securities may also have a maximum interest rate and/or a minimum interest rate.
Additional Disruption Events	Upon the occurrence of an Additional Disruption Event, if specified in the relevant Final Terms, the Securities will be subject to adjustment or substitution or may be redeemed.
Issue Price	Securities will be issued at such price specified in the relevant Final Terms (if any). Notes may be issued on a partly paid basis (“ Partly Paid Notes ”), the issue price of which will be payable in two or more instalments.
Notes	Notes will be redeemed on the relevant Maturity Date at their Final Redemption Amount by payment of the Cash Settlement Amount or delivery of the Asset Amount as set out in the relevant Final Terms. If Notes are redeemable in two or more instalments (“ Instalment Notes ”), the Final Terms will set out the dates on which, and the amounts at which, such Notes may be redeemed.
Redeemable Certificates	Redeemable Certificates will be redeemed on the relevant Redemption Date either by payment of the Cash Settlement Amount or by delivery of the Asset Amount as set out in the relevant Final Terms.
Warrants, Exercisable Certificates and	The term “Warrants” as used herein shall include exercisable

Exercise Rights

certificates.

European Style Warrants are only exercisable on the Exercise Date.

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

Warrants where Automatic Exercise is not specified in the relevant Final Terms, with respect to which no C&W Exercise Notice has been delivered in accordance with Base C&W Condition 5 (*Exercise Rights*) at or prior to the relevant Clearing System Cut-off Time, on the Actual Exercise Date (in the case of European Style Warrants) or on the Expiration Date (in the case of American Style Warrants), shall become void.

Warrants where Automatic Exercise is specified in the relevant Final Terms, with respect to which no C&W Exercise Notice has been delivered in accordance with Base C&W Condition 5 (*Exercise Rights*) at or prior to the relevant Clearing System Cut-off Time, shall be automatically exercised on the Actual Exercise Date (in the case of European Style Warrants) or on the Expiration Date (in the case of American Style Warrants).

In relation to Warrants or where Automatic Exercise is specified in the relevant Final Terms, such Final Terms will also specify whether either (i) Automatic Exercise: C&W Exercise Notice by Cut-off Date applies and, if it does, a C&W Exercise Notice will need to be delivered in accordance with Base C&W Condition 5 (*Exercise Rights*) by the Cut-off Date in order to receive the Cash Settlement Amount or the Asset Amount, as the case may be; or (ii) in relation to Cash Settled Securities only, Automatic Exercise: No delivery of C&W Exercise Notice applies and, if it does, no C&W Exercise Notice will need to be delivered.

Form of Securities

The Notes may be issued in bearer form only ("**Bearer Notes**"), in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") or in registered form only ("**Registered Notes**") represented by a Global Note Certificate.

Unless otherwise specified in the relevant Final Terms, each issue of C&W Securities will be represented by a Global Security.

Investors may also hold interests in the Securities through Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) ("**CREST**") through the issuance of dematerialised depository interests ("**CREST Depository Interests**" or "**CDIs**")

Clearing Systems

Unless otherwise specified in the relevant Final Terms (other than CMU Securities and Swedish Registered Securities), Clearstream, Luxembourg and Euroclear. With respect to CDIs, to the extent applicable, CREST. With respect to CMU Securities, the CMU Service operated by the Hong Kong Monetary Authority (the "**HKMA**"). With respect to Swedish Registered Securities, Euroclear Sweden AB ("**Euroclear Sweden**"). The Bank may, if so specified in the relevant Final Terms, issue Securities which

are clearable through clearing systems other than or in addition to Clearstream, Luxembourg and Euroclear, CMU Service or Euroclear Sweden.

Expenses and Taxes

If specified in the relevant Final Terms, a holder of Securities must pay or discharge all Expenses relating to such Securities.

Status

The Securities constitute unsecured and unsubordinated obligations of the Bank.

Listing and admission to trading

Application may be made to admit any Securities issued to the Official List and to admit them to trading on the Market.

Securities may be listed or admitted to trading, as the case may be, on other or additional stock exchanges or markets as specified in the relevant Final Terms. Securities which are neither listed nor admitted to trading on any market may also be issued.

Governing Law

English.

Selling Restrictions

See "*Offering and Sale*".

RISK FACTORS

The Bank believes that the following factors may affect its ability to fulfil its obligations under the Securities issued under the Programme and confirms that the risks that are stated to apply to “the Group” below apply also to the Bank. All of these factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Bank believes may be material for the purpose of assessing the market risks associated with Securities issued under the Programme in relation to the Group are also described below.

The Bank believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Bank to pay interest, principal or other amounts on or in connection with any Securities may occur for other reasons and the Bank does not represent that the statements below regarding the risks of holding any Securities are exhaustive. Prospective purchasers should consider carefully the risks and uncertainties described below, together with all other information contained in this Prospectus and the information incorporated by reference herein before making any investment decision.

Terms defined in the Conditions and the form of Final Terms shall have the same meanings in these Risk Factors.

RISK FACTORS RELATED TO THE BANK AND GROUP

1 Government related risks

1.1 *The Commissioners of Her Majesty’s Treasury (“HM Treasury”) is the largest shareholder of the Company. Through its shareholding in, and other relationships with, the Company, HM Treasury is in a position to exert significant influence over the Group and its business.*

As at 23 March 2012, HM Treasury holds approximately 39.8 per cent. of the ordinary share capital of the Company. In the longer term, it is possible that the shareholding of HM Treasury may be diluted upon any further equity capital raising or potential conversion of the Company’s enhanced capital notes (the “**Enhanced Capital Notes**” or “**ECNs**”) into ordinary shares pursuant to their terms, although, in such case, it is expected that HM Treasury would remain a significant shareholder in the Company. It is also possible that the Group may seek to raise further capital or to obtain other support from the UK Government, which could result in an increase in HM Treasury’s shareholding in the Company.

No formal relationship agreement has been concluded between the Group and the UK Government in respect of its shareholding in the Company and no express measures are in place to limit the level of influence which may be exercised by HM Treasury. However, the relationship falls within the scope of the revised framework document between HM Treasury and UK Financial Investments Limited (“**UKFI**”) published on 1 October 2010, which states that UKFI will manage its investment in the UK financial institutions in which HM Treasury holds an interest ‘on a commercial basis and will not intervene in day-to-day management decisions of the Investee Companies (as defined herein) (including with respect to individual lending or remuneration decisions)’. The framework document also makes it clear that such UK financial institutions will continue to be separate economic units with independent powers of decision. Nevertheless, there is a risk that HM Treasury might seek to exert influence over the Group in relation to matters including, for example, commercial and consumer lending policies and management of the Group’s assets and/or business. There is also a risk of the existing framework document between HM Treasury and UKFI being replaced or amended, leading to interference in the operations of the Group, although there has been no indication that the UK Government intends to change the existing operating arrangements.

There is also a risk that, through the interest of HM Treasury in the Company, the UK Government and HM Treasury may attempt to influence the Group in other ways that would have a material adverse effect on the Group’s business, including, for example, through the election of directors, the appointment of senior management at the Company, staff remuneration policies, lending policies and commitments and management of the Group’s business (in particular, the management of the Group’s assets such as its existing retail and corporate loan

portfolios, significant corporate transactions and the issue of new ordinary shares). Moreover, HM Treasury also has interests in other UK financial institutions, as well as an interest in the general health of the UK banking industry and the wider UK economy. The pursuit of those interests may not always be aligned with the commercial interests of the Group.

For more information see “Risk Factors – Regulatory risks (including risks arising from failing to comply with the applicable laws, regulations and codes) – The Group’s businesses are subject to substantial regulation, and regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a significant material adverse effect on the Group’s results of operations, financial condition and prospects.”.

1.2 *The Group is subject to European state aid obligations following the approval of its restructuring plan. The implementation of this restructuring plan may have consequences that are materially adverse to the interests of the Group. Moreover, should the Group require additional state aid in the future, further restructuring measures could be required and these may be materially adverse to the interests of the Group.*

On 18 November 2009 the European Commission approved a restructuring plan (the “**Restructuring Plan**”) that the Group was required to submit as a result of HM Treasury’s investment in the Company in the context of the placing and open offer in November 2008. The principal elements of the Restructuring Plan seek to support the long-term viability of the Group and to remedy any distortions to competition and trade in the EU arising from the state aid that the Group has received, including HM Treasury’s subsequent participation in the Company’s placing and compensatory open offer in June 2009 and the rights issue in November 2009 (the “**Rights Issue**”). The Restructuring Plan also seeks to address any commercial benefit received by the Group following its announcement in March 2009 of its then intention to participate in the Government Asset Protection Scheme (“**GAPS**”). The approval also covered the Group’s participation in HM Treasury’s credit guarantee scheme (the “**Credit Guarantee Scheme**”) from October 2008 up to June 2010. In the deed of withdrawal from GAPS in November 2009 (the “**GAPS Withdrawal Deed**”) the Company agreed with HM Treasury to comply with the terms of the European Commission’s decision.

The Group is subject to a variety of risks as a result of implementing the Restructuring Plan. There can be no assurance that the price that the Group receives for any assets disposed of in accordance with the Restructuring Plan will be at a level which the Group considers adequate or which it could obtain if the Group was not disposing of such assets in accordance with the Restructuring Plan. In particular, should the Group fail to complete the disposal of the retail banking business that it is required to divest by the end of November 2013, then in the absence of any time extension being granted by the European Commission, a divestiture trustee would be appointed to conduct the sale, with a mandate to complete the disposal with no minimum price (including at a negative price). As a direct consequence of implementing the Restructuring Plan, the Group will lose existing customers, deposits and other assets (and may also lose additional customers, deposits and other assets indirectly through damage to the rest of the Group’s business as a result of implementing the Restructuring Plan). It may also lose the potential for realising additional associated revenues and margins that it otherwise might have achieved in the absence of such disposals. Moreover implementation may result in disruption to the retained businesses, impacting customers and necessitating potentially significant separation costs. Implementation may also have a negative impact on the Group’s competitive position, including through the emergence of new competitors, particularly in the creation of a viable competitor through the retail banking business disposal.

Should the Group require further state aid that was not covered in the European Commission’s approval decision of 18 November 2009, the Group may have to commit to further restructuring measures, which could be materially adverse to the interests of the Group.

For more detail on the principal elements of the Restructuring Plan and associated timescales see “Business review – Risk management – State funding and state aid” in the Company’s 2011 Annual Report as set out on page 102 therein which is incorporated by reference into this Prospectus.

1.3 *The Group has agreed to undertakings with HM Treasury in relation to the operation of its business. The Group has also agreed to certain other commitments in the GAPS Withdrawal Deed, and subsequently. These*

undertakings and commitments could have a material adverse effect on the Group's results of operations, financial condition and prospects and limit operational flexibilities.

In connection with HM Treasury's participation in the placing and open offers in November 2008 and June 2009, the Group's participation in the Credit Guarantee Scheme and its then proposed participation in GAPS, the Group provided undertakings aimed at ensuring that the acquisition by HM Treasury of the Group's shares and the participation of the Group in the UK Government funding scheme was consistent with the then current European state aid clearance. These undertakings included (i) supporting UK Government policy in relation to mortgage lending and lending to businesses through to the end of February 2011; (ii) regulating the remuneration of management and other employees; and (iii) regulating the rate of growth of the Group's balance sheet.

For more information see "Lloyds Banking Group – Major Shareholders and Related Party Transactions – Information about Lloyds Banking Group's Relationship with the UK Government – Other Related Party Transactions with the UK Government".

The formal lending commitments period described above has now expired. In February 2011, the Group (together with Barclays, HSBC, RBS and Santander) announced, as a part of the 'Project Merlin' agreement with HM Treasury, its capacity and willingness to increase its gross business lending (including to small and medium-sized enterprises) during the 2011 calendar year. At the same time, the Group (together with Barclays, HSBC and RBS) announced its intentions in relation to a number of other areas, including its continuing support for the recommendations of the BBA Business Finance Taskforce, certain aspects of remuneration policy and its support for the proposed Business Growth Fund and Big Society Capital.

The 'Project Merlin' agreement was not a formal contract between the Group and HM Treasury. The Company has made a unilateral lending pledge for 2012 as part of its publicly announced SME Charter. However, there remains a risk that current or future requirements introduced by HM Treasury could have a materially adverse effect on the operations of the Group.

2 Business and economic risks

2.1 The Group's businesses are subject to inherent risks arising from general and sector-specific economic conditions in the UK and other markets in which it operates. Adverse developments, particularly in the UK and the Euro-zone, could cause the Group's earnings and profitability to decline.

The Group's businesses are subject to inherent risks arising from general and sector-specific economic conditions in the markets in which it operates, particularly the United Kingdom, in which the Group's earnings are predominantly generated. Any significant deterioration in the UK and/or other economies in which the Group operates could have a material adverse impact on the future results of operations of the Group. Additionally, the profitability of the Group's businesses could be affected by increased insurance and other claims arising from market factors such as increased unemployment, which may continue even following the return to economic growth in certain parts of the markets in which the Group operates. Lack of, or reduced, economic growth in the UK, higher unemployment in the UK or elsewhere, or the lack of economic growth in the UK, reduced corporate profitability, reduced personal income levels, reduced Government and/or consumer expenditure, increased personal or corporate insolvency rates, increased tenant defaults or increased interest rates may reduce borrowers' ability to repay loans and may cause prices of residential or commercial real estate or other asset prices to fall further, thereby reducing the collateral value on many of the Group's assets. These, in turn, could cause increased impairments and/or fair value adjustments.

In addition to the possibility of further economic deterioration, financial market instability represents another downside risk. The Group has significant exposures, particularly by way of loans, in a number of overseas jurisdictions, notably the Republic of Ireland, Spain, Australia and the United States, and is therefore subject to a variety of risks relating to the performance of those economies as well. The global financial system has suffered considerable turbulence and uncertainty in recent years and the outlook for the global economy over the near to medium term remains challenging. In Europe, the ongoing economic deterioration of several countries, including Greece, Italy, the Republic of Ireland, Spain and Portugal, together with the risk of contagion to other more stable

countries, has exacerbated further the global economic crisis. In particular, the risk of default on the sovereign debt of those countries and the impact this would have on the Euro-zone countries, including the potential that some countries (albeit those with a relatively small GDP) could leave the Euro-zone (either voluntarily or involuntarily) has raised concerns about the ongoing viability of the Euro currency and the European Monetary Union (the “EMU”). Despite the various rescue packages and other stabilising measures adopted throughout Europe to deal with the worsening Euro-zone sovereign debt crisis, global markets continue to record high levels of volatility and uncertainty. Uncertainty over the best way forward for the highly indebted Euro-zone persists and poses a serious threat to the global economic recovery, with the spread of political instability and contagion to other Euro-zone countries increasing in the last quarter of 2011. Financial markets are expected to remain dislocated and volatile, with the risk of contagion unlikely to dissipate in the near term, and this continues to place strains on funding markets at a time when many financial institutions (in particular) have material ongoing funding needs. In 2011, continuing concerns about the fiscal position in Euro-zone countries resulted in increased credit spreads in the areas affected, and fears of contagion affected the Euro and widened spreads between central bank and interbank rates. The Group has exposure to corporates, financial institutions and securities which may have material direct and indirect exposures in these countries. With the exception of the Group’s lending exposures in the Republic of Ireland and Spain, its direct exposure to the Euro-zone through sovereign and private sector exposure is relatively small and has been managed steadily downward since 2008. However, a wide-scale break-up of the Euro-zone would most likely be associated with a significant deterioration in the economic and financial environment in the UK and Euro-zone that would materially affect the capital and the funding position of participants in the banking industry, including the Group. This could also give rise to operational disruptions to the Group’s business.

The effects on the European and global economy of the potential dissolution of the EMU, exit of one or more European Union member states from the EMU and the redenomination of financial instruments from the Euro to a different currency, are impossible to predict and protect against fully in view of (i) economic and financial instability in the Euro-zone, (ii) the severity of the recent global financial crisis, (iii) difficulties in predicting whether any recovery will be sustained and at what rate, and (iv) the fact that many of the risks related to the business are totally, or in part, outside the control of the Group. However, if any such events were to occur they would likely: (a) result in significant market dislocation; (b) heighten counterparty risk; (c) adversely affect the management of market risk and, in particular, asset and liability management due, in part, to redenomination of financial assets and liabilities; and (d) have a material adverse effect on the financial condition, results of operations and prospects of the Group. Any adverse changes affecting the economies of the countries in which the Group has significant exposures, including those discussed above, and any further deterioration in global economic conditions, could have a material adverse impact on the Group’s operating results, financial conditions and prospects.

In 2011 and early 2012, a number of UK and other European financial institutions, including the Company, the Bank and other Group members, and the sovereign debt of several European countries experienced downgrades by one or more of the major rating agencies in connection with macroeconomic conditions, prospects for growth, progression of structural reforms and austerity measures, and in the case of the Group members, a review of the systemic support assumptions incorporated into bank ratings and a reduction of implied UK Government support for the banking sector. The Group notes the announcements made by Moody’s Investors Service Limited (“**Moody’s**”) in February 2012 placing the rating of 114 European financial institutions, including the Group, on review for downgrade. Any downgrade of the UK sovereign credit rating or the credit rating of any other country in which the Group has significant direct and/or indirect exposures, or the perception that such a downgrade may occur, may (i) destabilise the markets and the UK economy, (ii) have a material adverse effect on the Group’s operating results, financial condition and prospects, and (iii) adversely affect the Group’s counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict. These risks are exacerbated by the Euro-zone sovereign debt crisis.

2.2 *The Group's businesses are inherently subject to the risk of market fluctuations, which could materially adversely affect its results of operations, financial condition and prospects.*

The Group's businesses are inherently subject to risks in financial markets and in the wider economy, including changes in, and increased volatility of, interest rates, inflation rates, credit spreads, foreign exchange rates, commodity, equity, bond and property prices and the risk that its customers act in a manner which is inconsistent with business, pricing and hedging assumptions.

Market movements will continue to have a significant impact on the Group in a number of key areas. For example, adverse market movements have had and would have an adverse effect, which could be material, upon the financial condition of the pension schemes of the Group. Banking and trading activities that are undertaken by the Group are subject to interest rate risk, foreign exchange risk, inflation risk and credit spread risk. For example, changes in interest rate levels, interbank margins over official rates, yield curves and spreads affect the interest rate margin realised between lending and borrowing costs. The potential for future volatility and margin changes remains. Competitive pressures on fixed rates or product terms in existing loans and deposits sometimes restrict the Group in its ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

The insurance businesses of the Group face market risk arising, for example, from equity, bond and property markets in a number of ways depending upon the product and associated contract; for example, the annual management charges received in respect of investment and insurance contracts fluctuate, as do the values of the contracts, in line with the markets. Some of these risks are borne directly by the customer and some are borne by the insurance businesses. Some insurance contracts involve guarantees and options that increase in value in adverse investment markets. There is a risk that the insurance businesses will bear some of the cost of such guarantees and options. The insurance businesses also have capital directly invested in the markets that are exposed to market risk. The performance of the investment markets will thus have a direct impact upon the embedded value of insurance and investment contracts and the Group's operating results, financial condition and prospects. Adverse market conditions affect investor confidence, which in turn can result in lower sales and/or reduced persistency.

For further information, see "Risk Factors – Business and economic risks – The Group's businesses are subject to inherent risks arising from general and sector-specific economic conditions in the UK and other markets in which it operates. Adverse developments, particularly in the UK and the Euro-zone, could cause the Group's earnings and profitability to decline."

Changes in foreign exchange rates, including U.S. dollars, Euros and Australian dollars, affect the value of assets and liabilities denominated in foreign currencies. Such changes and the degree of volatility with respect thereto may affect earnings reported by the Group. In the Group's international businesses, earnings and net assets are denominated in local currencies, which will fluctuate with exchange rates in pounds sterling terms. In 2011 and the first quarter of 2012 it was difficult to predict with any accuracy changes in market conditions, and such changes may have a material adverse effect on the Group's operating results, financial condition and prospects.

2.3 *Market conditions have resulted, and are expected to result in the future, in material changes to the estimated fair values of financial assets of the Group. Negative fair value adjustments have had, and may continue to have in the future, a further material adverse effect on the Group's results of operations, financial condition and prospects. The accuracy of valuations may be affected by market disruptions, illiquidity and the potential ineffectiveness of hedging and other risk management strategies.*

The Group has material exposures to securities and other investments, including asset-backed securities, structured investments and private equity investments that are recorded by the Group at fair value. These have been and may be subject to further negative fair value adjustments, particularly in view of unsettled market conditions and the fragility of economic recovery. In addition, in dislocated markets, hedging and other risk management strategies may not be as effective as they are in normal market conditions, due in part to the decreasing credit quality of hedge counterparties. Although the Board of Directors of the Company (the "Board") believes that overall impairment charges for the Group have peaked against its base economic assumptions, asset

valuations in future periods, reflecting prevailing market conditions, may result in further negative changes in the fair values of the Group's financial assets and these may also translate into increased impairment charges. In addition, the value ultimately realised by the Group for its securities and other investments may be lower than their current fair value. Any of these factors could require the Group to record further negative fair value adjustments, which may have a material adverse effect on its operating results, financial condition or prospects. Material losses from the fair value of financial assets will also have an adverse impact on the Group's capital ratios.

The Group has made asset redesignations as permitted by amendments to IAS 39 (Financial Instruments: Recognition and Measurement). The effect of such redesignations has been, and would be, that any effect on the income statement of movements in the fair value of such redesignated assets that have occurred since 1 July 2008, in the case of assets redesignated prior to 1 November 2008, or which may occur in the future, may not be recognised until such time as the assets become impaired or are disposed of.

In addition, in circumstances where fair values are determined using financial valuation models, the Group's valuation methodologies may require it to make assumptions, judgements and estimates in order to establish fair value. These valuation models are complex and the assumptions used are difficult to make and are inherently uncertain, particularly in light of the uncertainty as to the strength of any global economic recovery and continuing downside risks (including continually high indicators of deteriorating credit quality) and during periods of market volatility and illiquidity, and any consequential impairments or write-downs could have a material adverse effect on the Group's operating results, capital ratios, financial condition and prospects.

2.4 *The Group's businesses are conducted in highly competitive environments and the Group's financial performance depends upon management's ability to respond effectively to competitive pressures.*

The markets for UK financial services, and the other markets within which the Group operates, are highly competitive, and management expects such competition to intensify in response to competitor behaviour, consumer demand, technological changes, and the impact of consolidation, regulatory actions and other factors. The Group's financial performance and its ability to capture additional market share depends significantly upon the competitive environment and management's response thereto. Intervention by the UK Government and/or European bodies and/or governments of other countries in which the Group operates may impact the competitive position of the Group relative to its international competitors, which may be subject to different forms of government intervention, thus potentially putting the Group at a competitive disadvantage. Additionally, one effect of implementing the Restructuring Plan may be the emergence of one or more new viable competitors in the UK banking market or a material strengthening of one or more of the Group's existing competitors in that market. Any of these factors or a combination thereof could result in a significant reduction in the profit of the Group.

For more information see "Risk Factors – Competition related risks".

3 Credit related risks

3.1 *The Group's businesses are subject to inherent risks concerning borrower and counterparty credit quality which have affected and are expected to continue to affect the recoverability and value of assets on the Group's balance sheet.*

The Group has exposures to many different products and counterparties, and the credit quality of its exposures can have a significant impact on its earnings. Credit risk arises in the Retail, Wholesale, Commercial and Wealth and International divisions, reflecting the risks inherent in the Group's lending activities, and, to a lesser extent, in the Insurance division in respect of own funds. Adverse changes in the credit quality of the Group's UK and/or international borrowers and counterparties, or in their behaviour or businesses, may reduce the value of the Group's assets, and materially increase the Group's write-downs and allowances for impairment losses. Credit risk can be affected by a range of factors, including global economic slowdown, changes in the rating of individual contractual counterparties, the debt levels of individual contractual counterparties, reduced UK consumer and/or Government spending (in light of the Group's concentration in the UK), increased unemployment, reduced asset values, increased personal or corporate insolvency levels, reduced corporate profits, changes in interest rates, higher tenant defaults and any external factors of a legislative or regulatory nature. In

recent years, the global banking crisis and economic downturn has driven cyclically high bad debt charges. The UK economy remains fragile. Consumer and business confidence is low, consumer spending has been falling, the reduction in public sector spending is deepening and exports are failing to offset domestic weakness. The possibility of further economic weakness remains. Instability in the financial markets represents an additional downside risk. The Group has exposure in both the UK and internationally, including Europe, the Republic of Ireland, the United States and Australia, particularly in commercial real estate lending, where it has a high level of lending secured on secondary and tertiary assets. In particular the Group has significant exposure to certain individual counterparties in cyclically weak sectors and weakened geographic markets (such as the Republic of Ireland and Spain). In addition, the Group has concentrated country exposure in the UK and within certain industry sectors, namely real estate and real estate -related sectors. Retail customer portfolios (including those in Wealth and International) will remain strongly linked to the economic environment, with house price falls, unemployment increases, consumer over-indebtedness and rising interest rates among the factors that may impact on secured and unsecured retail exposures.

All new lending is dependent on the Group's assessment of the customers' ability to pay and there is an inherent risk that the Group has incorrectly assessed the credit quality or willingness of borrowers to pay, possibly as a result of incomplete or inaccurate disclosure by those borrowers, or as a result of the inherent uncertainty that is involved in the exercise of constructing models to estimate the true risk of lending to counterparties.

The Group estimates and establishes reserves for credit risks and potential credit losses inherent in its credit exposure. This process, which is critical to its results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how these economic conditions might impair the ability of its borrowers to pay their loans. As is the case with any such assessments, there is always a risk that the Group will fail to identify the proper factors or that it will fail to estimate accurately the impact of factors that it identifies.

The ongoing Euro-zone instability, the deterioration of capital market conditions, the global economic slowdown and measures adopted by the governments of individual countries have reduced, and could further reduce, households' disposable income and businesses' profitability and/or have a negative impact on the Group's customers' ability to honour their obligations, which in turn would result in deterioration of the Group's credit quality. If the continued uncertainty over the Euro-zone, or the UK Government and Euro-zone austerity measures and public spending cuts, result in the UK or Euro-zone economic recovery slowing or faltering, it may lead to further weakening of counterparty credit quality and subsequent higher impairment charges or fair value statements in the Group's lending and derivative portfolios. This could have a material adverse effect on the Group's operations, financial condition and prospects. At present, default rates are cushioned by low rates of interest which have improved customer affordability, but the risk remains of increased default rates as interest rates start to rise.

Although the Board believes that overall impairments for the Group have peaked, against its base case economic assumptions, the risk remains that further material impairments in the Group's portfolios could emerge, particularly in the event of any further deterioration in the economic environment. The performance of some of the Group's exposures might deteriorate further even in the absence of further economic decline, particularly in the Republic of Ireland, where impairment charges recorded by the Group have been substantial. Any unforeseen material further impairments could have a significant adverse effect on the Group's operations, financial condition and prospects.

3.2 Concentration of credit and market risk could increase the potential for significant losses.

The Group has exposure to concentration risk where its business activities focus particularly on a similar type of customer, product, industrial sector or geographic location, including the UK market.

As a result of the Acquisition, the composition of the Group's wholesale portfolio materially changed, with much larger sectoral concentrations (for example in real estate and real estate-related lending, leveraged lending, certain asset based lending products (for example, shipping), asset-backed securities and floating rate notes issued by financial institutions) and substantially greater overseas exposures, particularly in the Republic of Ireland, Australia and the U.S.

The Acquisition has increased the Group's exposure to concentration risk, since the combination of the two portfolios inevitably gave rise to some greater concentrations than would otherwise have been permitted. Market conditions at present mean that it is difficult to achieve the required level of sales to ameliorate these concentrations.

The Group has significant real estate and real estate-related exposure, meaning that further decreases in residential or commercial property values and/or further tenant defaults are likely to lead to higher impairment charges, which could materially affect its operations, financial condition and prospects. HBOS had material exposure to the secondary and tertiary commercial real estate sector, including hotels and residential property developers, which has been particularly adversely affected by the recessionary environment. These concentrations in cyclically weak sectors, as well as exposure at various levels of the capital structure, mean that the heritage HBOS wholesale business is particularly exposed to high and volatile levels of impairments and may be subject to greater risk if conditions deteriorate beyond the Board's base case assumptions.

The Group's corporate lending portfolio also contains substantial exposure to large, mid-sized and private companies, as well as leveraged finance. These concentrations in cyclically weak sectors, coupled with a heritage HBOS strategy of supporting UK entrepreneurs and taking exposure at various levels of the capital structure, continue to give rise to significant single name and risk capital exposure. Whilst these exposures are adequately provided for within the Board's base case assumptions, they remain vulnerable to downside risks.

The heritage HBOS portfolio in the Republic of Ireland is heavily exposed to the commercial (including hotel) and residential real estate sectors, which have been negatively impacted by the economic recession, whilst the portfolio in Australia has material exposure to real estate and leveraged lending. In the United States there are notable exposures to a number of sectors which are cyclically weak and have been negatively impacted by the economic recession. As in the UK, the heritage HBOS portfolio overseas is also particularly exposed to a small number of long-term customer relationships and these single name concentrations place the Group at risk of loss should default occur.

The Group's efforts to divest, diversify or hedge its credit portfolio against concentration risks may not be successful and any concentration of credit risk could increase the potential for significant losses in its credit portfolio. In addition, any disruption in the liquidity or transparency of the financial markets may result in the Group's inability to sell or syndicate securities, loans or other instruments or positions held, thereby leading to increased concentrations of such positions. These concentrations could expose the Group to losses if the mark-to-market value of the securities, loans or other instruments or positions declines causing the Group to take write-downs. Moreover, the inability to reduce the Group's positions not only increases the market and credit risks associated with such positions, but also increases the level of risk-weighted assets on the Group's balance sheet, thereby increasing its capital requirements and funding costs, all of which could adversely affect the Group's operating results, financial condition and prospects.

3.3 *The Group may be forced to record further credit valuation adjustments on securities insured or guaranteed by market-counterparties/insurers and credit counterparties, which could have a material adverse effect on the Group's results of operations, financial condition and prospects.*

The Group has credit exposure to market counterparties through securities insured or guaranteed by such parties and credit protection bought from such parties with respect to certain over-the-counter derivative contracts, mainly credit default swaps ("CDSs") which are recorded at fair value. The fair value of these CDSs and other securities, and the Group's exposure to the risk of default by the underlying counterparties, depend on the valuation and the perceived credit risk of the instrument insured or guaranteed or against which protection has been bought and the credit quality of the protection provider (for example, a CDS counterparty). Market counterparties have been adversely affected by their exposure to residential mortgage-linked products, and their perceived creditworthiness has deteriorated significantly since 2007. Although the Group seeks to limit and manage direct exposure to market counterparties, indirect exposure may exist through other financial arrangements and counterparties. If the financial condition of market counterparties or their perceived creditworthiness deteriorates further, the Group may record further credit valuation adjustments on the underlying instruments

insured by such parties. Any primary or indirect exposure to the financial condition or creditworthiness of these counterparties could have a material adverse impact on the results of operations, financial condition and prospects of the Group.

4 Financial soundness related risks

4.1 *The Group's businesses are subject to inherent risks concerning liquidity and funding, particularly if the availability of traditional sources of funding such as retail deposits or the access to wholesale funding markets continues to be limited or becomes more limited. The Group continues to be reliant on various legacy government facilities and will face refinancing risk as transactions under these facilities mature. Future use of generally available open market operation facilities from central banks will be considered as part of normal liquidity management processes.*

Liquidity and funding continues to remain a key area of focus for the Group and the industry as a whole. Like all major banks, the Group is dependent on confidence in the short- and long-term wholesale funding markets. Should the Group, due to exceptional circumstances, be unable to continue to source sustainable funding, its ability to fund its financial obligations could be impacted.

The Group's profitability or solvency could be adversely affected if access to liquidity and funding is constrained or made more expensive for a prolonged period of time. Whilst the Group expects to have sufficient access to liquidity to meet its funding requirements even in a stressed scenario, a reduction in its short-term credit rating could result in outflows in excess of the Group's liquidity resources, meaning that it might be unable to meet its liabilities. In addition, under extreme and unforeseen circumstances a prolonged and severe restriction on the Group's access to liquidity (including government and central bank facilities) could affect the Group's ability to meet its financial obligations as they fall due or to fulfil its commitments to lend, and in such extreme circumstances the Group may not be in a position to continue to operate without additional funding support, which it may be unable to access. These factors may have a material impact on the Group's solvency, including its ability to meet its regulatory minimum liquidity requirements. These risks can be exacerbated by many enterprise-specific factors, including an over-reliance on a particular source of funding, or changes in credit ratings as well as market-wide phenomena such as market dislocation, regulatory change and major disasters.

There is also a risk that corporate and institutional counterparties may look to reduce aggregate credit exposures to the Group (or to all banks) which could increase the Group's cost of funding and limit its access to liquidity. In addition, the funding structure employed by the Group may prove to be inefficient giving rise to a level of funding cost that is not sustainable longer term. The funding needs of the Group may increase and such increases may be material. The Group relies on customer savings and transmission balances, as well as ongoing access to the global wholesale funding markets and the legacy Credit Guarantee Scheme to meet its funding needs. The ability of the Group to gain access to wholesale and retail funding sources on satisfactory economic terms is subject to a number of factors outside its control, such as liquidity constraints, general market conditions, regulatory requirements, the encouraged or mandated repatriation of deposits by foreign wholesale or central bank depositors and loss of confidence in the UK banking system, any of which could affect the Group's profitability or, in the longer term under extreme circumstances, its ability to meet its financial obligations as they fall due.

Medium-term growth in the Group's lending activities will depend, in part, on the availability of retail deposit funding on appropriate terms, for which there is increasing competition. See "Risk Factors – Business and economic risks – The Group's businesses are conducted in highly competitive environments and the Group's financial performance depends upon management's ability to respond effectively to competitive pressures."

This reliance has increased in the recent past given the difficulties in accessing wholesale funding. The ongoing availability of retail deposit funding on appropriate terms is dependent on a variety of factors outside the Group's control, such as general economic conditions and market volatility, the confidence of retail depositors in the economy, the financial services industry and in the Group, as well as the availability and extent of deposit guarantees. Increases in the cost of retail deposit funding will impact on the Group's margins and affect profit, and a lack of availability of retail deposit funding could impact on the Group's future growth.

Any loss in consumer confidence in the Group could significantly increase the amount of retail deposit withdrawals in a short space of time. Should the Group experience an unusually high and unforeseen level of withdrawals, in such extreme circumstances the Group may not be in a position to continue to operate without additional funding support, which it may be unable to access, which could have a material impact on the Group's solvency.

The Group has relied substantially on the legacy Bank of England liquidity facilities as well as the legacy Credit Guarantee Scheme. The Group will continue to face a refinancing concentration during 2012 largely associated with the maturity of the Credit Guarantee Scheme issuance undertaken by the Group prior to the closure of that scheme. While the quantum is significantly reduced compared to 2011 and the Group expects that the impact of this refinancing concentration can be mitigated by a combination of alternative funding and reductions in the Group's net wholesale funding requirement, there can be no assurance that these mitigation efforts will be successful, which could lead to liquidity constraints.

The second half of 2011 saw more difficult funding markets as investor confidence was impacted by concerns over the U.S. debt ceiling and subsequent downgrade. This was followed by increased fears over Euro-zone sovereign debt levels, downgrades and possible defaults, and concerns are ongoing over the potential downside effects from financial market volatility.

If the continuing difficulties in the wholesale funding markets are not resolved or central bank provision of liquidity to the financial markets is abruptly curtailed, or the Group's credit ratings are downgraded (for more information see "Risk Factors – Financial soundness related risks – The Group's borrowing costs and access to the capital markets is dependent on a number of factors, and increased costs or reduction in access could materially adversely affect the Group's results of operations, financial condition and prospects."), it is likely that wholesale funding will prove even more difficult to obtain. Such increased refinancing risk, in isolation or in concert with the related liquidity risks noted above, could have a material adverse effect on the Group's profitability and, in the longer term under extreme and unforeseen circumstances, its ability to meet its financial obligations as they fall due.

4.2 *The Group's borrowing costs and access to the capital markets is dependent on a number of factors, and increased costs or reduction in access could materially adversely affect the Group's results of operations, financial condition and prospects.*

In the fourth quarter of 2011, the Group experienced downgrades in its long-term rating of between one and two notches from three of the major rating agencies. The impact that the Group experienced following the downgrades was consistent with the Group's modelled outcomes based on the stress testing framework. The Group's stress testing shows that further credit rating downgrades may reduce investor appetite for some of the Group's liability classes and, therefore, its funding capacity. The Group's borrowing costs and issuance in the capital markets are dependent on a number of factors, and increased cost or reduction of capacity could materially adversely affect the Group's results of operations, financial condition and prospects.

In particular, reduction in the credit rating of the Group or deterioration in the capital markets' perception of the Group's financial resilience could significantly increase its borrowing costs and limit its issuance capacity in the capital markets. As an indicator, during 2011 the spread between an index of "A" rated long term senior unsecured bank debt and an index of similar "BBB" rated bank debt, both of which are publicly available, has ranged between 60 and 115 basis points. The applicability to and implications for the Group's funding cost would depend on the type of issuance, and prevailing market conditions. The impact on the Group's funding cost is subject to a number of assumptions and uncertainties and is therefore impossible to quantify precisely.

Downgrades of the Group's long term debt rating could lead to additional collateral posting and cash outflow. A hypothetical simultaneous two notch downgrade of the Group's long-term debt rating from all major rating agencies, after initial actions within management's control, could result in an outflow of £11 billion of cash, £4 billion of collateral posting related to customer financial contracts and £24 billion of collateral posting associated with secured funding. These effects do not take into account additional management and restructuring

actions that the Group has identified that could materially reduce the amount of required collateral postings under derivative contracts related to its own secured funding programmes.

The downgrades that the Group experienced in the fourth quarter of 2011 did not significantly change its borrowing costs, reduce its issuance capacity or require significant collateral posting. The Group notes the announcements made by Moody's in February 2012 placing the ratings of 114 European financial institutions, including the Group, on review for downgrade.

For further information see "Risk Factors – Business and economic risks – The Group's businesses are subject to inherent risks arising from general and sector-specific economic conditions in the UK and other markets in which it operates. Adverse developments, particularly in the UK and the Euro-zone, could cause the Group's earnings and profitability to decline."

The Group's borrowing costs and access to capital markets could also be affected by regulatory developments such as the UK's Independent Commission on Banking (the "ICB"), Basel III, the Capital Requirements Directive or the removal of effective state guarantee behind investment banking, restrictions on the treatment of contingent convertible bonds or the imposition of capital surcharges. Securityholders may also require an increased return if the prospects of bail-in scenarios become more likely, which would increase the Group's funding costs. Unfavourable developments could materially adversely affect the Group's access to liquidity, increase its funding costs and, hence, have a material adverse effect on the Group's business, financial position and results of operations.

4.3 *The Group is subject to the risk of having insufficient capital resources to meet the minimum required by regulators.*

A perceived or actual shortage of capital could result in actions or sanctions, which may have a material adverse effect on the Group's business, including its operating results, financial condition and prospects. This, in turn, may affect the Group's capacity to continue its business operations, pay future dividends or pursue acquisitions or other strategic opportunities, impacting future growth potential. In response, if the Group raises additional capital through the issuance of share capital or capital instruments, existing shareholders or holders of debt of a capital nature may experience a dilution of their holdings.

The circumstances which could give rise to shortages of capital and force the Group to raise additional capital include the following:

The Group may experience a depletion of its capital resources through increased costs or liabilities incurred as a result of the crystallisation of any of the other risk factors described elsewhere in this section.

The Group may experience an increased demand for capital. For example:

- The Group is subject to extensive regulation and regulatory supervision in relation to the levels of capital in its business. The Group currently meets, and expects to continue to meet, all regulatory capital requirements. However, the FSA could, for example, impose new or revised minimum and buffer capital requirements, apply increasingly stringent stress case scenarios and/or change the manner in which it applies existing regulatory requirements to the Group.
- Extensive regulatory reforms are being implemented within the EU and the UK relating to the proposals of the Basel Committee on Banking Supervision, known as 'Basel III', and the proposals of the ICB. These reforms include:
 - increased minimum levels of capital and additional minimum capital buffers;
 - enhanced quality standards for capital including new requirements for capital instruments to be capable of write-down or conversion to equity in the event of a bank being deemed to be non-viable, which could apply to new and existing instruments;

- increased risk weighting of assets, particularly in relation to market risk and counterparty credit risk;
 - the introduction of a minimum leverage ratio;
 - additional capital buffers and reporting requirements for systemically important banks; and
 - the ring-fencing of the retail activities of banks from their investment banking activities.
- There still remains uncertainty about the detailed implementation of these reforms within the EU and the UK including the timing and any transitional arrangements. There is a risk that the reforms may give rise to higher regulatory capital expectations than the Group had anticipated within its strategic plans.
 - The Group's reported regulatory capital requirements depend upon the level of risk weighted assets calculated from the Group's approved models. These are subject to regular review on a rolling basis to ensure that they remain appropriate in prevailing economic and business conditions. Additionally the Group is currently effecting a programme of new model roll-out and is in the process of some model replacement as a part of the integration of the HBOS and Lloyds TSB businesses. These reviews and new models may lead to increased levels of risk weighted assets, and so to lower reported capital ratios.
 - The Group's life assurance and general insurance businesses in the UK are subject to capital requirements prescribed by the FSA, and the Group's life and general insurance companies outside the UK are subject to local regulatory capital requirements. Solvency II, a fundamental review of the capital adequacy regime for the European insurance industry, aims to establish a revised set of EU-wide capital requirements where the required regulatory capital will be dependent upon the risk profile of the entities, together with risk management standards, that will replace the current Solvency I requirements. Solvency II is still in the later stages of development, but there is a risk that the final regime could increase the planned amount of regulatory capital which the Group's life assurance and general insurance businesses are required to hold, thus decreasing the amount of capital available for other uses.

The Group holds an additional 'management' capital buffer over the regulatory minimum and buffer requirements. To an extent, the Group determines the amount of the management buffer by reference to market expectations driven by the capital levels or targets amongst its peer banks or through the views of rating agencies or investors. However, the market's view of the desirable optimum level of capital is evolving partly as a result of the changing regulatory environment and the changes made by rating agencies to their rating methodologies. Consequently the Group may experience pressure to increase its capital ratios as a result of increased market and rating agency expectations.

4.4 *The Group has been and could continue to be negatively affected by the soundness and/or the perceived soundness of other financial institutions, which could result in significant systemic liquidity problems, losses or defaults by other financial institutions and counterparties, and which could materially adversely affect the Group's results of operations, financial condition and prospects.*

The Group is subject to the risk of deterioration of the commercial soundness and/or perceived soundness of other financial services institutions within and outside the United Kingdom. Financial services institutions that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This presents systemic risk and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Group interacts on a daily basis, all of which could have an adverse effect on the Group's ability to raise new funding. One potential source of increased systemic risk is presented by the market's perception of Euro-zone sovereign and bank borrowers in

Italy, the Republic of Ireland, Greece, Portugal and Spain, as reflected in the quoted prices of bonds and credit default swaps for these borrowers.

The Group routinely executes a high volume of transactions with counterparties in the financial services industry, resulting in a significant credit concentration. A default by, or even concerns about the financial resilience of, one or more financial services institutions could lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions, which could have a material and adverse effect on the Group's results of operations, financial condition and prospects.

5 Insurance and pension scheme related risks

5.1 *The Group's insurance businesses and employee pension schemes are subject to risks relating to insurance claim rates, pension scheme benefit payment levels and changes in insurance customer and employee pension scheme member behaviour.*

The life and pensions insurance businesses of the Group and its employee pension schemes are exposed to short-term and longer-term variability arising from uncertain longevity, mortality, morbidity and expense levels. Adverse developments in any of these factors will increase the size of the Group's insurance and/or employee pension scheme liabilities and may adversely affect the Group's financial condition and results of operations.

Customer behaviour in the life and pensions insurance business may result in increased propensity to cease contributing to or cancel insurance policies at a rate in excess of applicable business assumptions. Consequent reduction in policy persistency and fee income would have an adverse impact upon the profitability of the life and pensions business of the Group. The rate at which employee pension scheme members cease employment affects the aggregate amount of benefits payable by the schemes. This rate may differ from applicable business assumptions. Variances may increase the size of the Group's aggregate pension liabilities and may adversely affect the Group's financial condition and results of operations.

The general insurance businesses of the Group are exposed to the risk of uncertain insurance claim rates. For example, extreme weather conditions can result in high property damage claims, higher levels of theft can increase claims on home insurance and changes to unemployment levels can increase claims on loan protection insurance. These claims rates may differ from business assumptions and negative developments may adversely affect the Group's financial condition and results of operations.

UK banks recognise an insurance asset in their balance sheets representing the Value of In-Force business ("VIF") in respect of long-term life assurance contracts, being insurance contracts and investment contracts with discretionary participation features. This asset represents the present value of future profits expected to arise from the portfolio of in-force life assurance contracts. Adoption of this accounting treatment results in the earlier recognition of profit on new business, but subsequently a lower contribution from existing business, when compared to the recognition of profits on investment contracts under IAS 39 (Financial Instruments: "Recognition and Measurement"). Differences between actual and expected experience may have a significant impact on the value of the VIF asset, as changes in experience can result in significant changes to modelled future cash flows. The VIF asset is calculated based on best-estimate assumptions made by management, including mortality experience and persistency. If these assumptions prove incorrect, the VIF asset could be materially reduced, which in turn could have a material adverse effect on the Group's financial condition and results of operations.

6 Regulatory risks (including risks arising from failing to comply with the applicable laws, regulations and codes)

6.1 *The Group's businesses are subject to substantial regulation, and regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a significant material adverse effect on the Group's results of operations, financial condition and prospects.*

The Group's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in the UK, the

European Union and the other markets where it operates. This is particularly the case in the current market environment, which is witnessing increased levels of government and regulatory intervention in the banking sector, which the Group expects to continue for the foreseeable future. The UK Government, the FSA and other regulators in the UK, the European Union or overseas may intervene further in relation to areas of industry risk already identified, or in new areas, which could adversely affect the Group. Future changes are difficult to predict and could materially adversely affect the Group's business.

Areas where changes could have an adverse impact include, but are not limited to:

- (a) general changes in government, central bank or regulatory policy, or changes in regulatory regimes that may influence investor decisions in particular markets in which the Group operates, which may change the structure of those markets and the products offered or may increase the costs of doing business in those markets;
- (b) external bodies applying or interpreting standards or laws differently to those applied by the Group;
- (c) changes in competitive and pricing environments;
- (d) further requirements relating to financial reporting, corporate governance, conduct of business and employee compensation;
- (e) expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- (f) changes to regulation and legislation relating to economic and trading sanctions, money laundering and terrorist financing.

The Group continues to face political and regulatory scrutiny as a result of the Group's perceived systemic importance following the Acquisition.

Evolving capital and liquidity requirements continue to be a priority for the Group (for more information see "Risk Factors – Financial soundness related risks – The Group is subject to the risk of having insufficient capital resources to meet the minimum required by regulators."). The Basel Committee on Banking Supervision has put forward proposals for a reform package which changes the regulatory capital requirements and liquidity standards, introduces new definitions for the calculation of counterparty credit risk and leverage ratios, requires additional capital buffers and development of a global liquidity standard. Implementation of these changes is expected to be phased in between 2013 and 2018.

The Group takes very seriously its responsibilities for complying with legal and regulatory sanctions requirements in all the jurisdictions in which it operates. In order to assist adherence to relevant economic sanctions legislation, the Group has enhanced its internal compliance processes including those associated with customer and payment screening. The Group has continued the delivery of a programme of staff training regarding policies and procedures for detecting and preventing economic sanctions non-compliance.

The Group is continually assessing the impacts of legal and regulatory developments which could have a material effect on the Group and will participate in relevant consultation and calibration processes to be undertaken by the various regulatory and other bodies. Implementation of such regulatory developments could result in additional costs or limit or restrict the way that the Group conducts business. The Group continues to work closely with regulatory authorities and industry associations to ensure that it is able to identify and respond to proposed regulatory changes and mitigate against risks to the Group and its stakeholders. For further information see "Lloyds Banking Group – Regulation".

6.2 *The Group is exposed to various forms of regulatory risk in its operations, including the risk of mis-selling financial products, acting in breach of legal or regulatory principles or requirements and giving negligent advice, any of which could have a material adverse effect on its results or its relations with its customers.*

The Group is exposed to various forms of regulatory risk in its operations including:

- (i) certain aspects of the Group’s business may be determined by the relevant authorities, the Financial Ombudsman Service (the “FOS”) or the courts not to have been conducted in accordance with applicable laws or regulations, or, in the case of the FOS, with what is fair and reasonable in the Ombudsman’s opinion;
- (ii) the possibility of alleged mis-selling of financial products or the mishandling of complaints related to the sale of such products by or attributed to a member of the Group, resulting in disciplinary action or requirements to amend sales processes, withdraw products, or provide restitution to affected customers, all of which may require additional provisions;
- (iii) the high level of scrutiny of the treatment of customers by financial institutions from regulatory bodies, the press and politicians; the FSA in particular continues to drive focus on conduct of business activities through its supervision activity.
- (iv) contractual obligations may either not be enforceable as intended or may be enforced against the Group in an adverse way;
- (v) the Group holds accounts for a number of customers that might be or are subject to interest from various regulators and authorities including the Serious Fraud Office or similar regulators in the United States or other jurisdictions. The Group is not aware of any current investigation into the Group as a result of any such interest but cannot exclude the possibility of its conduct being reviewed as part of any such investigations;
- (vi) the intellectual property of the Group (such as trade names) may not be adequately protected;
- (vii) the Group may be liable for damages to third parties harmed by the conduct of its business; and
- (viii) the risk of regulatory proceedings and private litigation, arising out of regulatory investigations or otherwise (brought by individuals or groups of plaintiffs) in the UK and other jurisdictions.

The Group may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. The Group may do so to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when the Group believes that it has no liability. The Group may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, the Group may, for similar reasons, reimburse counterparties for their losses even in situations where the Group does not believe that it is legally compelled to do so.

Such matters are subject to many uncertainties, and the outcome of individual matters is not predictable.

Failure to manage these risks adequately could impact the Group adversely and materially, both financially and reputationally.

The financial impact of regulatory risks might be considerable but are difficult to quantify. Amounts eventually paid may exceed the amount of provisions set aside to cover such risks.

Companies within the Group are responsible for contributing to compensation schemes such as the UK Financial Services Compensation Scheme (the “FSCS”) in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers. Going forward, further provisions in respect of these costs are likely to be necessary. The ultimate cost to the industry, which will also include the cost of any compensation payments made by the FSCS and, if necessary, the cost of meeting any shortfall after recoveries on the borrowings entered into by the FSCS, remains uncertain but may be significant and may have a material adverse effect on the results of operations and financial condition of the Group.

7 Banking Act 2009 related risks

7.1 The Group may be subject to the provisions of the Banking Act 2009 in the future. The potential impact on the Group is inherently uncertain.

Under the Banking Act 2009 (the “**Banking Act**”), substantial powers have been granted to HM Treasury, the Bank of England and the FSA (together the “**Authorities**”) as part of the special resolution regime (the

“SRR”). These powers enable the Authorities to deal with and stabilise UK-incorporated institutions with permission to accept deposits pursuant to Part IV of the FSMA that are failing, or are likely to fail, to satisfy the threshold conditions (within the meaning of section 41 of the FSMA). The SRR consists of three stabilisation options: (i) transfer of all or part of the business of the relevant entity or the shares of the relevant entity to a private sector purchaser; (ii) transfer of all or part of the business of the relevant entity to a “bridge bank” wholly-owned by the Bank of England; and (iii) temporary public ownership of the relevant entity. HM Treasury may also take a parent company of a relevant entity into temporary public ownership where certain conditions are met. The Banking Act also provides for two new insolvency and administration procedures for relevant entities. Certain ancillary powers include the power to modify certain contractual arrangements in certain circumstances.

In general, the Banking Act requires the Authorities to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. The Banking Act includes provisions related to compensation in respect of transfer instruments and orders made under it. The Authorities are also empowered by order to amend the law for the purpose of enabling the powers under the SRR to be used effectively. An order may make provision which has retrospective effect. In general, there is considerable uncertainty about the scope of the powers afforded to Authorities under the Banking Act and how the Authorities may choose to exercise them.

8 Competition related risks

8.1 *The Independent Commission on Banking and the UK Treasury Select Committee have reviewed competition in the UK retail banking industry. The potential impact of the recommendations is inherently uncertain and could have a material adverse effect on the interests of the Group.*

The UK Government appointed the ICB to review competition and financial stability in the UK banking sector. The ICB published its final report on 12 September 2011, and is now disbanded. The Government gave its initial response to the report on 19 December 2011, supporting the ICB and Treasury Select Committee’s recommendations to implement a new industry-wide 7 day current account switching process by September 2013, and to amend the Financial Services Bill to enhance the competition remit of the FCA with implementation likely in 2013. The Government also confirmed that it will continue to consider the best ways to promote transparency and that it has no intention to use its shareholding to deliver an enhancement of the Project Verde divestment. The Group continues to work with HM Treasury and other stakeholders to progress the recommendations.

For more information see “Lloyds Banking Group – Regulation – Other Bodies Impacting the Regulatory Regime”.

9 Operational risks and related issues

9.1 *The Group could fail to attract or retain senior management or other key employees.*

The Group’s success depends on its ability to attract, retain and develop high calibre talent. Achievement of this aim cannot be guaranteed, particularly in light of ongoing regulatory and public interest in remuneration practices (the Group is subject to the FSA’s Remuneration Code). The Group also made a number of other commitments regarding its pay policy, including those set out within the statement agreed with the Government as part of ‘Project Merlin’, encompassing pay governance, transparency and engagement with its shareholders on pay policy.

The Group’s continuing structural consolidation and the sale of part of the branch network under Project Verde may result in disruption to its ability to lead and manage its people effectively, and macroeconomic conditions and negative media attention on the banking sector may impact retention, colleague sentiment and engagement.

Failure to attract and retain senior management and key employees could have a material adverse impact on the Group's financial results, operational effectiveness, and presents a significant risk to the delivery of the Group's overall strategy.

9.2 *Weaknesses or failures in the Group's internal processes and procedures and other operational risks could materially adversely affect the Group's results of operations, financial condition and prospects and could result in reputational damage.*

Operational risks, through inadequate or failed internal processes and/or systems (including financial reporting and risk monitoring processes) or from people-related or external events, including the risk of fraud and other criminal acts (such as cyber attack) carried out against the Group, are present in the Group's businesses. The Group's businesses are dependent on processing and reporting accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. Any weakness in these internal controls and processes could have a negative impact on the Group's results, reporting such results, and on the ability to deliver appropriate customer outcomes, during the affected period. Furthermore, damage to the Group's reputation (including to customer confidence) arising from actual or perceived inadequacies, weaknesses or failures in Group systems or processes could have a significant adverse impact on the Group's businesses.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Company or any relevant company within the Group 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 FSA.

9.3 *Terrorist acts, other acts of war, geopolitical, pandemic or other such events could have a material adverse impact on the Group's results of operations, financial condition and prospects.*

Terrorist acts, other acts of war or hostility, geopolitical, pandemic or other such events and responses to those acts/events may create economic and political uncertainties, which could have a material adverse impact on UK and international economic conditions generally, and more specifically on the business and results of the Group in ways that cannot necessarily be predicted.

10 Other risks

10.1 *The Group's financial statements are based in part on assumptions and estimates which, if wrong, could cause losses in the future.*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the Group's results and financial position, based upon materiality and significant judgements and estimates, include impairment of financial assets; valuation of financial instruments; pensions; insurance and taxation; are discussed in detail in the Company's 2011 Annual Report under the section entitled "Critical Accounting Estimates and Judgements" as set out on pages 228 to 230 therein.

If the judgement, estimates and assumptions used by the Group in preparing its consolidated financial statements are subsequently found to be incorrect, there could be a material impact on the Group's results of operations and a corresponding impact on its funding requirements and capital ratios.

10.2 *The Company is a holding company and as a result, is dependent on dividends from its subsidiaries to meet its obligations including its obligations with respect to its debt securities.*

The Company is a non-operating holding company and as such the principal sources of its income are from operating subsidiaries which also hold the principal assets of the Group. As a separate legal entity, the Company relies on remittance of their profits and other funds in order to be able to pay obligations to debt holders as they fall due, which remittance is subject to certain restrictions.

In order to pay dividends, UK subsidiaries need to have distributable reserves. Whilst, as at the date of this Prospectus, the Company's direct subsidiary, the Bank, has distributable reserves, one of the Company's indirect principal subsidiaries, Bank of Scotland plc, does not and is currently unable to pay dividends. There is a risk that any profits earned by Bank of Scotland plc and its subsidiaries cannot be remitted to the holding company as dividends. This risk could be mitigated if management elect to restructure the capital resources of a subsidiary entity.

The restrictions imposed upon the Company's ability to pay dividends as part of the European Commission's restructuring plan following the Company's receipt of state aid expired on 31 January 2012.

10.3 *The Bank is partly dependent on dividends from its subsidiaries to meet its obligations, including its obligations with respect to its debt securities.*

The Bank is a holding company as well as a bank and as such one of its sources of income is dividends from its operating subsidiaries. Following the Group Reorganisation, a proportion of the Bank's income is derived from the businesses and assets of the HBOS Group. Therefore, in order to be able to pay the obligations to debt holders as they fall due, the Bank relies in part on the remittance of dividends and other funds from its operating subsidiaries including the HBOS Group. The remittance of dividends is subject to certain restrictions – see Risk Factor 10.2 above for further information.

10.4 *Failure to manage the risks associated with changes in taxation rates or law, or misinterpretation of the law, could materially and adversely affect the Group's results of operations, financial condition and prospects.*

Tax risk is the risk associated with changes in taxation rates or law, or misinterpretation of the law. This could result in increased charges, financial loss including penalties, and reputational damage. Failure to manage these risks adequately could impact the Group materially and adversely and could have a material negative impact on the Group's performance or reputation.

10.5 *Following the Acquisition, any further increase in HM Treasury's shareholding percentage in the Company, or the aggregation of HM Treasury's interests with that of other shareholders holding 5 per cent. or more, could lead to the Group suffering adverse tax consequences.*

Certain companies in the Group have material tax losses and reliefs which they anticipate carrying forward to reduce tax payable in the future and restrictions on the ability to utilise these losses and reliefs could affect the post-tax profitability and capital position of the Group.

Following the Acquisition, actions which could possibly cause the loss of these reliefs to occur would include any further increase in HM Treasury's shareholding in the Company, or the aggregation of HM Treasury's interests with that of other shareholders holding 5 per cent. or more. These actions, if coupled with the occurrence of certain specified events in relation to the Group companies (including a major change in the nature or conduct of a trade carried on by such a Group company or an increase in capital of such a Group company with an investment business) would, in the case of legacy HBOS Group companies, and could, in the case of legacy Lloyds TSB Group companies, cause restrictions on the ability to utilise these losses and reliefs.

The Company considers that it will be able to conduct its business, and the business of the Group, in a manner which avoids the occurrence of these specified events. However, the ability to do so cannot be predicted with any certainty at the date of this document.

RISK FACTORS RELATING TO THE SECURITIES

11 Risks related to the structure of a particular issue of Securities

A wide range of Securities may be issued under the Programme. A number of these Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common features.

11.1 *Partly-paid Securities*

The Bank may issue Securities where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

11.2 *Variable Rate Securities with a multiplier or other leverage factor*

Securities with variable interest rates can be volatile investments. If they are structured to include multipliers, leverage factors, caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features. The use of leverage or multipliers may increase the positive return of an investment in Securities, but may also magnify losses if Securities are linked to a Reference Item that experiences negative performance. The use of caps or floors can limit losses on an investment in Securities but may also be used to limit the maximum performance of a Security. Investors should carefully consider the impact that the use of multipliers, leverage, caps, floors or such other feature may have on their investment in Securities.

11.3 *Inverse Floating Rate Securities*

The Bank may issue Securities which have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Securities 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). Such Securities are more volatile because an increase in the reference rate not only decreases the interest rate of the Securities, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Securities.

11.4 *Fixed/Floating Rate Securities*

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

11.5 *Securities issued at a substantial discount or premium*

The market values of Securities 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 Securities. Generally, the longer the remaining term of the Securities, the greater the price volatility as compared to conventional interest-bearing Securities with comparable maturities.

11.6 *Securities subject to optional redemption by the Bank*

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

The Bank may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. 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 Securities being redeemed 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.

11.7 *Securities subject to automatic cancellation or redemption*

The Bank may issue Securities where the relevant Final Terms may provide that the Bank may, or will automatically redeem or cancel the Securities prior to their Maturity Date (in the case of Notes), Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) if a specified event occurs. Such specified event may relate to the level, price, value or performance of one or more Reference Items and/or such factor as compared to a specified level, price, value, barrier, threshold, trigger or other factor, as specified in the applicable Final Terms. The proceeds of any such redemption or cancellation received by Securityholders in such circumstances may be lower than the Issue Price for the Securities paid by the Securityholder and may be zero. As a consequence, upon such redemption or cancellation, the Securityholder may not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive on any such cancellation that occurs prior to the Scheduled Maturity Date, Settlement Date or Redemption Date, as the case may be, may be able to do so only in securities with a lower yield than the cancelled Securities. Such automatic redemption or cancellation may affect the return on, and the market value of, the Securities.

11.8 *Time lag before settlement*

Unless otherwise specified in the relevant Final Terms, in the case of Securities which the Bank is required to redeem prior to their scheduled Maturity Date (in the case of Notes), Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) at the option of the Securityholder, there will be a time lag between the time a Securityholder gives the instruction to redeem or cancel and the time the relevant Cash Settlement Amount (in the case of Cash Settled Securities) or the Physical Settlement Value (as defined below) (in the case of Physical Delivery Securities), as the case may be, is determined by the Calculation Agent.

Such time lag could be significantly longer, however, particularly in the case of a delay in the redemption or cancellation of Securities arising from any daily maximum exercise limitation or the occurrence of a Disrupted Day or a Market Disruption Event (if applicable), or following the imposition of any exchange controls or similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies). The applicable Cash Settlement Amount (in the case of Cash Settled Securities) or the Physical Settlement Value (in the case of Physical Delivery Securities), as the case may be, may change significantly during any such period.

11.9 *General risks and risks relating to Reference Item(s)*

A Series of Securities may involve a high degree of risk, which may include, among others, interest, inflation and foreign exchange rate(s), time value and political risks. Prospective purchasers of Securities should recognise that their Securities, other than any Securities having a minimum expiration or redemption value, as the case may be, may be worthless on expiry or redemption. Purchasers should be prepared to sustain a total loss of their investment in the Securities, except, if so indicated in the relevant Final Terms, to the extent of any minimum expiration or redemption value, as the case may be, that is attributable to such Securities. This risk reflects the nature of a Security as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires or is redeemed (except to the extent of any minimum expiration or redemption value, as the case may be). See “*Certain factors affecting the value and trading price of Securities*”. Prospective purchasers of Securities should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Securities and the relevant Reference Item(s) and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular Reference Item(s) (if any) to which the value of the relevant Securities may relate, as specified in the relevant Final Terms.

The risk of the loss of some or all of the purchase price of a Security upon maturity, expiration or redemption, as the case may be, means that, in order to recover and realise a return upon his or her investment, a purchaser of a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of

the relevant Reference Item(s) (if any) specified in the relevant Final Terms. Assuming all other factors are held constant, the more a Security is “out-of-the-money” and the shorter its remaining term to expiration or redemption, as the case may be, the greater the risk that purchasers of such Securities will lose all or part of their investment. With respect to Notes, European Style Warrants or Redeemable Certificates, the only means through which a Securityholder can realise value from the Security prior to the Maturity Date, Settlement Date or Redemption Date in relation to such Note, Warrant or Redeemable Certificate, as the case may be (other than, for the avoidance of doubt, any interest that may be payable), is to sell it at its then market price in an available secondary market. See “*Risks relating to the market generally – Possible illiquidity of the Securities in the secondary market*”.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Linked Securities, Inflation Linked Securities linked to one or more Inflation Indices and Commodity Linked Securities linked to one or more Commodity Indices. Fluctuations in the price of the relevant equities, currencies, commodities, or value of the basket of equities, currencies or commodities will affect the value of Equity Linked Securities, Currency Linked Securities or Commodity Linked Securities. Fluctuations in inflation and interest rates will affect the value of Inflation Linked Securities. Purchasers of Securities risk losing their entire investment if the value of the relevant Reference Item does not move in the anticipated direction.

The Bank may issue several issues of Securities relating to various reference indices, equities, currencies or commodities or other bases or combinations thereof as specified in the relevant Final Terms. However, no assurance can be given that the Bank will issue any Securities other than the Securities to which particular Final Terms relate. At any given time, the number of Securities outstanding may be substantial. Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item. In general, certain of the risks associated with Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. Options, warrants, notes or certificates on equities, currencies or commodities are priced primarily on the basis of the value of underlying securities, whilst Index Linked Securities, Inflation Linked Securities and Commodity Linked Securities linked to one or more Commodity Indices are priced primarily on the basis of present and expected values of the reference index (or basket of indices) specified in the relevant Final Terms.

11.10 *Certain factors affecting the value and trading price of Securities*

Either (a) the Cash Settlement Amount (in the case of Cash Settled Securities) or (b)(i) the difference in the value of the Asset Amount and the Exercise Price (in the case of Physical Delivery Securities which are Warrants) or (ii) the value of the Asset Amount (in the case of Physical Delivery Securities which are Redeemable Certificates or Notes) (b(i) or b(ii), as applicable, the “**Physical Settlement Value**”) at any time prior to expiration or redemption is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the “time value” of the Securities. The “time value” of the Securities will depend partly upon the length of the period remaining to expiration or redemption and expectations concerning the value of the reference equity, currency or commodity (or basket of shares, currencies or commodities), index (or basket of indices) or other basis of reference (if any) as specified in the relevant Final Terms. Securities offer hedging and investment diversification opportunities, but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price level of the Reference Item(s) as specified in the relevant Final Terms, as well as due to a number of other interrelated factors, including those specified herein.

Before exercising (in the case of Warrants) or selling Securities, Securityholders should carefully consider, among other things, (A) the trading price of the Securities, (B) the value and volatility of the Reference Item(s) (if any) as specified in the relevant Final Terms, (C) the time remaining to expiration or redemption, as the case may be, (D) in the case of Cash Settled Securities, the probable range of Cash Settlement Amounts, (E) any change(s) in interim interest rates and dividend yields (if applicable), (F) any change(s) in currency exchange rates, (G) the depth of the market or liquidity of the Reference Item(s) as specified in the relevant Final Terms and (H) any related transaction costs.

11.11 *Certain considerations regarding hedging*

Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in any Reference Item(s) as may be specified in the relevant Final Terms, should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the relevant Reference Item(s). Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the relevant Reference Item(s). For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Reference Item(s).

In the case of Securities relating to an equity, currency or commodity (or basket of equities, currencies or commodities), the Bank and/or any of its Affiliates or agents may from time to time hedge the Bank's obligations under such Securities (and under other instruments and over-the-counter contracts issued by or entered into from time to time by the Bank or any of its Affiliates or agents relating to such securities) by taking positions, directly or indirectly, in such equity, currency or commodity (or basket of equities, currencies or commodities). Although the Bank has no reason to believe that such hedging activities will have a material impact on the price of any equity, currency or commodity, there can be no assurance that such hedging activities will not adversely affect the value of the Securities.

11.12 Holding CREST Depository Interests

CDI Holders will hold or have an interest in a separate legal instrument and not be the legal owners of the Underlying Securities. Such CDIs will be issued to CDI Holders pursuant to the CREST Deed Poll that will bind such CDI Holders. Fees, charges, costs and expenses may be incurred in connection with the use of the CREST International Settlement Links Service (the "**CREST International Settlement Links Service**").

Potential investors should note that none of the Bank, the Fiscal Agent, the Principal Certificate and Warrant Agent or other relevant Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

11.13 Risks relating to Reference Item(s)

Index Linked Securities, Inflation Linked Securities, Equity Linked Securities, Currency Linked Securities, Commodity Linked Securities and any combination of the foregoing (together the "**Reference Item Linked Securities**") involve a high degree of risk. Reference Item Linked Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Securities relate.

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

As the Interest Amounts or other amounts payable periodically and/or the Cash Settlement Amount and/or delivery of any Asset Amount may be linked to the performance of the relevant Reference Item(s), an investor in a Reference Item Linked Security must generally be knowledgeable as to, and take a view with respect to, the direction, timing and magnitude of an anticipated change in the value of the relevant Reference Item(s).

Where the relevant Final Terms specify one or more Reference Items, the relevant Reference Item Linked Securities will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in Reference Item Linked Securities will depend upon the performance of such Reference Item(s). Potential investors should also note that, whilst the market value of such Reference Item Linked Securities is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate to the nominal amount or calculation amount of such Security, for example because of leveraging. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s),

Reference Item Linked Securities represent the right to receive payment or delivery, as the case may be, of the relevant Cash Settlement Amount(s) or Asset Amount on the relevant Maturity Date, Settlement Date or Redemption Date, as well as periodic payments of interest (if specified in the relevant Final Terms), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The relevant Final Terms will set out the provisions for the determination of the Cash Settlement Amount or Asset Amount and of any periodic payments.

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

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

There is no return on Reference Item Linked Securities other than the potential payment or delivery, as the case may be, of the Cash Settlement Amount or Asset Amount, as the case may be, on the Maturity Date, Settlement Date or Redemption Date and payment of any periodic interest payments.

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

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

The Bank may issue several issues of Reference Item Linked Securities relating to particular Reference Item(s). However, no assurance can be given that the Bank will issue any Reference Item Linked Securities other than the Reference Item Linked Securities to which the relevant Final Terms relate. At any given time, the number of Reference Item Linked Securities outstanding may be substantial.

11.14 *General risks relating to Index Linked Securities, Inflation Linked Securities, Equity Linked Securities, Currency Linked Securities, Commodity Linked Securities and Securities linked to a formula*

The Bank may issue Securities with principal or interest determined by reference to an index or formula, to the rate of inflation in a country or in the European Monetary Union, to changes in the prices of securities or commodities, to movements in currency exchange rates, to the value of one or more Reference Item(s) or other factors (each, a “**Relevant Factor**”). In addition, the Bank may issue Securities with principal or interest payable in one or more currencies which may be different from the currency in which the Securities are denominated. Potential investors should be aware that:

- (a) the market price of any such Securities may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected or may be subject to withholding or deduction for or on account of any taxes or other charges imposed by relevant governmental authorities or agencies;
- (d) the amount of principal payable at redemption or settlement may be less than the nominal amount of any such Securities or may be zero;

- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if a Relevant Factor is applied to Securities in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- (g) the timing of changes in a Relevant Factor 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 Relevant Factor, the greater the effect on yield.

The historical experience of the relevant Reference Item should not be viewed as an indication of the future performance of such Reference Item during the term of any Reference Item Linked Securities. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Reference Item Linked Securities and the suitability of such Securities in light of its particular circumstances.

12 Risk factors associated with Securities that are linked to one or more specific types of Reference Item(s)

12.1 Risks associated with Equities as Reference Items

An investment in Equity Linked Securities entails significant risks in addition to those associated with investments in a conventional debt security.

(a) *Factors affecting the performance of equities may adversely affect the value of the Securities*

The performance of equities is dependent upon macroeconomic factors, such as interest rates and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

(b) *No claim against the Equity Issuer or recourse to the Equities*

Equity Linked Securities do not represent a claim against or an investment in any issuer of equity securities (an “**Equity Issuer**”) to which they are linked and Securityholders will not have any right of recourse under the Securities to any such company or the equities. The Securities are not in any way sponsored, endorsed or promoted by any Equity Issuer and such companies have no obligation to take into account the consequences of their actions for any Securityholders. Accordingly, the issuer of an equity may take any actions in respect of such equity without regard to the interests of the investors in the Securities, and any of these actions could adversely affect the market value of the Securities.

In the case of Securities relating to equities, no issuer of such equities will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities and neither the Bank nor any Dealer will make any investigation or enquiry in connection with such offering with respect to the information concerning any such issuer of equities contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph or in any relevant Final Terms) that would affect the trading price of the equities will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of equities could affect the trading price of the equities and therefore the trading price of the Securities.

(c) *Determinations made by the Calculation Agent in respect of Potential Adjustment Events, other specified extraordinary events and Additional Disruption Events may have an adverse effect on the value of the Securities*

Upon determining that a Potential Adjustment Event, other specified extraordinary events or an Additional Disruption Event has occurred in relation to an Underlying Equity or Equity Issuer, the Calculation Agent has broad discretion to make certain determinations to account for such event, including to (i) make adjustments to the terms of the Securities and/or (ii) (in the case of other specified extraordinary events or an Additional Disruption Event) cause

early redemption or cancellation of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

Potential Adjustment Events include (A) a sub-division, consolidation or re-classification of the Underlying Equities, (B) an extraordinary dividend, (C) a call in respect of the Underlying Equities that are not fully paid, (D) a repurchase by the issuer, or an Affiliate thereof, of the Underlying Equities, (E) a separation of rights from the Underlying Equities or (F) any event having a dilutive or concentrative effect on the value of the Underlying Equities. Other extraordinary events that may be specified as applicable in the Final Terms include (I) a de-listing of the Underlying Equities on an exchange, (II) an insolvency (where all the Underlying Equities of the Equity Issuer are transferred to a trustee, liquidator or similar official or may not be legally transferred) or bankruptcy of the Equity Issuer, (III) a merger event entailing the consolidation of the Underlying Equities with those of another entity, (IV) a nationalisation of the Equity Issuer or transfer of the Underlying Equities to a governmental entity or (V) a tender offer or takeover offer that results in transfer of the Underlying Equities to another entity. Additional Disruption Events include (1) a change in applicable law since the Issue Date that makes it illegal to hold, acquire or dispose of the Underlying Equities or more expensive for the Bank or any Hedging Party to hedge its obligations under the relevant Securities or (2) if specified to be applicable in the relevant Final Terms, (x) an insolvency filing by or on behalf of the Equity Issuer or (y) Hedging Disruption.

(d) Securityholders may receive physical delivery of Underlying Equities in lieu of payment of cash amounts

Where the Securities include the right of the Bank, which may be subject to the fulfilment of a particular condition, to redeem or settle the Securities by delivering Underlying Equities to the investor in such Securities, the investors will receive such Underlying Equities rather than a monetary amount. Securityholders will, therefore, be exposed to the issuer of such Underlying Equities and the risk associated with such Underlying Equities. The investor should not assume that he or she will be able to sell such Underlying Equities for a specific price after the redemption of the Securities or in particular for the purchase price of the Securities. Under certain circumstances, the Underlying Equities may only have a very low value or may, in fact, be worthless, in which case Securityholders may receive back less than the original invested amount. Securityholders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Underlying Equities.

Except as provided in the Conditions in relation to Physical Delivery Securities, Securityholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant equities to which such Securities relate.

12.2 Risks associated with Indices as Reference Items

An investment in Index Linked Securities entails significant risks in addition to those associated with investments in a conventional debt security.

(a) Factors affecting the performance of Indices may adversely affect the value of the Securities

Indices comprise a synthetic portfolio of shares or other assets and, as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such Index, which may include interest rates and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

(b) Exposure to the risk that returns on the Securities do not reflect direct investment in underlying equities or other items comprising the Index

The return payable on Securities that reference Indices may not reflect the return an investor would realise if he or she actually owned the relevant items comprising the components of the Index. For example, if the components of the Indices are shares, Securityholders will not receive any dividends paid on those shares and will not participate in the return on those dividends unless the relevant Index takes such dividends into account for purposes of calculating the relevant level. Similarly, Securityholders will not have any voting rights in the underlying equities or any other assets which may comprise the components of the relevant Index. Accordingly, investors in Securities that reference Indices as

Reference Items may receive a lower payment upon settlement or redemption of such Securities than such investor would have received if he or she had invested in the components of the Index directly.

(c) *Loss of return of dividends in respect of most Securities linked to equity Indices*

The rules governing the composition and calculation of the relevant underlying Index might stipulate that dividends distributed on its components do not lead to a rise in the index level, for example, if it is a “price” index, which may lead to a decrease in the index level if all other circumstances remain the same. As a result, in such cases, the Securityholders of Securities in respect of which a Reference Item is such an Index will not participate in dividends or other distributions paid on the components comprising the Index. Even if the rules of the relevant underlying Index provide that distributed dividends or other distributions of the components are reinvested in the Index and therefore result in raising its level, in some circumstances, the dividends or other distributions may not be fully reinvested in such Index.

(d) *A change in the composition or discontinuance of an Index could adversely affect the market value of the Securities*

The sponsor of any Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The modification of components of any Index may affect the level of such Index, as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the Bank to the investors in the Securities. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the Securities, and any of these actions could adversely affect the market value of the Securities.

(e) *Exposure to Index Modification, Index Cancellation, Index Disruption and Correction of Index levels*

The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original Reference Item with another and/or to cause early redemption of the Securities, any of which may be adverse to Securityholders in connection with Index Modification, Index Cancellation, and Index Disruption. The Calculation Agent may determine that the consequence of any such event is to make adjustments to the Securities, or to replace such Index with another or to cause early redemption or cancellation of the Securities. The Calculation Agent may (subject to the terms and conditions of the relevant Securities) also amend the relevant Index level due to corrections in the level reported by the Index Sponsor.

(f) *There are additional risks in relation to Commodity Indices*

See risk factor “*Risks associated with Commodities as Reference Items – Additional risks in relation to the “rolling” of commodity futures contracts (including commodity futures contracts which are Components of a Commodity Index)*”.

12.3 *Risks associated with Inflation Indices as Reference Items*

Inflation Linked Securities may be settled or redeemed by the Bank by reference to the level of an inflation index (an “**Inflation Index**”) or basket of inflation indices. Interest payable on Inflation Linked Securities may be calculated by reference to the level of an inflation index or a basket of inflation indices.

(a) *Index Delay and Disruption Events affecting Inflation Linked Securities*

Where the Securities are Inflation Linked Securities and there is a delay in publication of the level of an Inflation Index, the level of such Inflation Index ceases to be published, such Inflation Index is rebased, there is a material change to such index or there has been a manifest error in the publication of the level of such Inflation Index, the Bank may either require the Calculation Agent to determine if such event has a material effect on the Securities and, if so, to adjust the level of such Inflation Index for the affected Reference Month as further described in Product Condition 2.3 (*Inflation Index Delay and Disruption Event Provision*), to substitute such Inflation Index with an alternative index or the Bank may elect to give notice to the Securityholders in accordance with Product Condition 2.3 (*Inflation Index*

Delay and Disruption Event Provision) and redeem or cancel all, but not some only, of the Securities, each Security, or, Unit, if applicable, being redeemed or cancelled at the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of the C&W Securities), which amount in either case shall be adjusted to account fully of any Unwind Costs if specified as applicable in the relevant Final Terms.

12.4 Risks associated with Foreign Exchange Rates as Reference Items

An investment in Currency Linked Securities entails significant risks in addition to those associated with investments in a conventional debt security.

Securities may be denominated in one currency (the "**Reference Currency**") but payable in another currency (the "**Specified Currency**"). The value of the Securities could therefore be affected by fluctuations in the value of the Reference Currency as compared to the Specified Currency (which may be calculated, where applicable, on a cross-currency basis). This presents certain risks that the exchange rate (or the exchange rates) used to determine the Specified Currency amount of any payments in respect of the Securities may significantly change (including changes due to devaluation or revaluation of the Specified Currency as compared to the Reference Currency) and the risk that authorities with jurisdiction over such currencies could cause a decrease in (1) the Specified Currency equivalent yield on the Securities, (2) the Specified Currency equivalent value of the amount payable in respect of the relevant Cash Settlement Amount of the Securities and (3) the Specified Currency equivalent market value of the Securities. Therefore, there is a possibility that the Specified Currency value of the Securities at the time of any sale or redemption, cancellation or exercise, as the case may be, of the Securities may be below the value of the investor's original investment in the Securities, depending on the exchange rate at the time of any such sale or redemption, cancellation or exercise, as the case may be.

(a) *Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Securities*

The foreign exchange rate(s) to which the Securities are linked will affect the nature and value of the investment return on the Securities. The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency.

(b) *Lloyds is a major foreign exchange dealer and is subject to conflicts of interest*

Investors should note that certain affiliates of the Bank are regular participants in the foreign exchange markets and in the ordinary course of their business may effect transactions for their own account or for the account of their customers and hold long and short positions in currencies and related derivatives, including in the currencies of the relevant FX Rate(s). Such transactions may affect the relevant FX Rate(s), the market price, liquidity or value of the Securities and could be adverse to the interests of Securityholders. No Affiliate of the Bank has any duty to enter into such transactions in a manner which is favourable to Securityholders. See "*Potential Conflicts of Interest*".

(c) *Currencies of emerging markets jurisdictions pose particular risks*

Currency Linked Securities linked to emerging market currencies may experience greater volatility and less certainty as to the future levels of such emerging market currencies or their rate of exchange as against other currencies. See "*General Risks associated with the Securities – Emerging Markets*".

12.5 Risks associated with Commodities as Reference Items

An investment in Commodity Linked Securities entails significant risks in addition to those associated with investments in a conventional debt security.

- (a) *Factors affecting the performance of Commodities may adversely affect the value of the Securities; Commodity prices may be more volatile than other asset classes*

Trading in commodities is speculative and may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable, including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes, changes in interest and exchange rates and changes and suspensions or disruptions of market trading activities in commodities and related contracts. Commodity prices may be more volatile than other asset classes, making investments in commodities riskier than other investments.

- (b) *Commodities may reference physical commodities or commodity contracts, and certain commodity contracts may be traded on unregulated or “under-regulated” exchanges*

Commodities comprise both (i) “physical” commodities, which need to be stored and transported, and which are generally traded at a “Spot” price, and (ii) commodity contracts, which are agreements either to (A) buy or sell a set amount of an underlying physical commodity at a predetermined price and delivery period (which may be referred to as a delivery month) or to (B) make and receive a cash payment based on changes in the price of the underlying commodity.

Commodity contracts may be traded on regulated specialised futures exchanges (such as futures contracts). Commodity contracts may also be traded directly between market participants “over-the-counter” on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. Accordingly, trading in such “over-the-counter” contracts may not be subject to the same provisions as, and the protections afforded to, contracts traded on regulated specialised futures exchanges, and there may therefore be additional risks related to the liquidity and price histories of the relevant contracts.

- (c) *Commodity Linked Securities which are linked to commodity futures contracts may provide a different return than Commodity Linked Securities linked to the relevant physical commodity and will have certain other risks*

The price of a futures contract on a commodity will generally be at a premium or at a discount to the spot price of the underlying commodity. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g. warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets. Accordingly, Commodity Linked Securities which are linked to commodity futures contracts may provide a different return than Commodity Linked Securities linked to the relevant physical commodity.

Investments in futures contracts involve certain other risks, including potential illiquidity. A holder of a futures position may find that such position becomes illiquid because certain commodity exchanges limit fluctuations in such futures contract prices pursuant to “daily limits”. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in the contract can neither be taken nor liquidated unless holders are willing to effect trades at or within the limit. This could prevent a holder from promptly liquidating unfavourable positions and subject it to substantial losses. Futures contract prices in various commodities occasionally have exceeded the daily limit for several consecutive days with little or no trading. Any such losses in such circumstances could have a negative adverse effect on the return of any Securities, the Reference Item of which is the affected futures contract.

In the case of a direct investment in commodity futures contracts, the invested capital may be applied in whole or in part by way of collateral in respect of the future claims of the respective counterparties under the commodity futures contracts. Such capital will generally bear interest, and the interest yield will increase the return of the investor making such direct investment. However, Securityholders of Securities linked to the price of commodity futures contracts do not participate in such interest yields from the hypothetical fully collateralised investment in commodity futures contracts.

(d) *Additional risks in relation to the “rolling” of commodity futures contracts (including commodity futures contracts which are Components of a Commodity Index)*

Commodity contracts have a predetermined expiration date – i.e. a date on which trading of the commodity contract ceases. Holding a commodity contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. Alternatively, “rolling” the commodity contracts means that the commodity contracts that are nearing expiration (the “**near-dated commodity contracts**”) are sold before they expire and commodity contracts that have an expiration date further in the future (the “**longer-dated commodity contracts**”) are purchased. Investments in commodities apply “rolling” of the component commodity contracts in order to maintain an ongoing exposure to such commodities.

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

(i) ***The investment in commodity contracts may be increased or decreased through “rolling”***

Where the price of a near-dated commodity contract is greater than the price of the longer-dated commodity contract (the commodity is said to be in “backwardation”), then “rolling” from the former to the latter will result in exposure to a greater number of the longer-dated commodity contract being taken. Therefore, any loss or gain on the new positions for a given movement in the prices of the commodity contract will be greater than if one had synthetically held the same number of commodity contracts as before the “roll”. Conversely, where the price of the near-dated commodity contract is lower than the price of the longer-dated commodity contract (the commodity is said to be in “contango”), then “rolling” will result in exposure to a smaller number of the longer-dated commodity contract being taken. Therefore, any gain or loss on the new positions for a given movement in the prices of the commodity contract will be less than if one had synthetically held the same number of commodity contracts as before the “roll”.

(ii) ***Where a commodity contract is in contango (or, alternatively, backwardation), such may be expected to (though it may not) have a negative (or, alternatively, positive) effect over time***

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

In the case of Commodity Linked Securities which are linked to a Commodity which is a commodity contract, the referenced commodity contract will simply be changed without liquidating or entering into any positions in the commodity contracts. Accordingly, the effects of “rolling” described above do not apply directly to the Reference Item and the Securities. Thus, an investor will not participate directly in possible effects of “rolling”. However, other market participants may act in accordance with the mechanism of “rolling” and such behaviour may have an indirect adverse impact on the value of the Reference Item and therefore on the Securities.

Commodity indices are indices which track the performance of a basket of commodity contracts on certain commodities, depending on the particular index. The weighting of the respective commodities included in a commodity index will depend on the particular index, and is generally described in the relevant index rules of the index. Commodity indices apply “rolling” of the component commodity contracts in order to maintain an ongoing exposure to such commodities. Specifically, as a commodity contract is required to be rolled pursuant to the relevant index rules, the commodity index is calculated as if exposure to the commodity contract was liquidated and exposure was taken to another (generally longer-dated) commodity contract for an equivalent exposure. Accordingly, the same effects as described above with regard to “rolling” on the value of a Reference Item of the Securities also apply with regard to the index level of a Commodity index.

(e) Legal and regulatory changes relating to the Commodities may lead to an early redemption or cancellation

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Bank and/or any entities acting on behalf of the Bank engaged in any underlying or hedging transactions in respect of the Bank's obligations in relation to the Securities to hedge the Bank's obligations under the Securities, and/or could lead to the early redemption or cancellation of the Securities.

Commodities are subject to legal and regulatory regimes in the United States and in other countries that may change in ways that could negatively affect the value of the Securities.

In addition, if the Calculation Agent determines that a Hedging Disruption has occurred, including any legal or regulatory changes that the Calculation Agent determines have interfered with the ability of the Bank, any Hedging Party and/or any entities acting on behalf of the Bank engaged in any underlying or hedging transactions in respect of the Bank's obligations in relation to the Securities to hedge the Bank's obligations under the Securities, or if for any other reason the Bank and/or any entities acting on behalf of the Bank engaged in any underlying or hedging transactions in respect of the Bank's obligations in relation to the Securities is/are unable to enter into or maintain hedge positions to hedge the Bank's obligations under the Securities, the Bank may, in its sole and absolute discretion, redeem or cancel the Securities prior to maturity by payment of an Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of the C&W Securities), which amount in either case shall be adjusted to account fully of any Unwind Costs, if specified as applicable in the relevant Final Terms, and which may be less than the purchase price of the Securities or may amend the terms of the Securities instead as it determines appropriate to account for such event. If the payment on the Securities is accelerated, a Securityholder's investment may result in a loss and a Securityholder may not be able to reinvest the proceeds in a comparable investment.

12.6 Risks associated with baskets comprising various constituents as Reference Items*(a) Exposure to performance of basket and its underlying constituents*

Where the Securities reference a basket of assets as Reference Items, the investors in such Securities are exposed to the performance of such basket. The investors will bear the risk of the performance of each of the basket constituents. See, as applicable, "*– Risks associated with Indices as Reference Items*", "*– Risks associated with Inflation Indices as Reference Items*", "*– Risks associated with Equities as Reference Items*", "*– Risks associated with Foreign Exchange Rates as Reference Items*" and "*– Risks associated with Commodities as Reference Items*".

(b) A high correlation of basket constituents may have a significant effect on amounts payable

Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation: investors should be aware that, though basket constituents may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket constituents are subject to high correlation, any move in the performance of the basket constituents will exaggerate the performance of the Securities.

(c) The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents

Investors in Securities must be aware that, even in the case of a positive performance of one or more basket constituents, the performance of the basket as a whole may be negative if the performance of the other basket constituents is negative to a greater extent, subject to the terms and conditions of the relevant Securities.

(d) A small basket, an unequally weighted basket or a "best of" or "worst of" basket will generally leave the basket more vulnerable to changes in the value of any particular basket constituent

The performance of a basket that includes a fewer number of basket constituents will generally, subject to the terms and conditions of the relevant Securities, be more affected by changes in the value of any particular basket constituent included therein than a basket that includes a greater number of basket constituents.

The performance of a basket that gives greater weight to some basket constituents or bases the level of the entire basket only on the value of one of the basket constituents will generally, subject to the terms and conditions of the relevant Securities, be more affected by changes in the value of any such particular basket constituent included therein than a basket that gives relatively equal weight to each basket constituent.

- (e) *A change in composition of a basket may have an adverse effect on basket performance*

Where the Securities grant the Calculation Agent the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket constituent may perform differently from the anticipated performance of the original basket constituent, which may have an adverse effect on the performance of the basket.

13 General risks associated with the Securities

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

13.1 *Securities are obligations of the Bank only*

The Securities are obligations of the Bank only and are not guaranteed by the Company or by any other entity and accordingly the holders of Securities have recourse in respect thereof only to the Bank.

13.2 *Securities are unsecured obligations*

All Securities will represent direct, unconditional, unsecured and unsubordinated obligations of the Bank and of no other person. All Securities will rank without any preference among themselves and (save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding-up may give preference to any of such other obligations) equally with all other unsecured and unsubordinated obligations of the Bank.

13.3 *Potential conflicts of interest*

In the ordinary course of its business, including, without limitation, in connection with its market making activities, the Bank and/or any of its Affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in any Reference Item(s) or related derivatives. In addition, in connection with the offering of any Securities, the Bank and/or any of its Affiliates may enter into one or more hedging transactions with respect to any Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Bank and/or any of its Affiliates, the Bank and/or any of its Affiliates may enter into transactions in any Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the relevant Securities and which could be deemed to be adverse to the interests of the relevant Securityholders.

Where the Bank acts as Calculation Agent or the Calculation Agent is an Affiliate of the Bank, potential conflicts of interest may exist between the Calculation Agent and Securityholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable upon settlement of the Securities.

The Bank and/or any Dealer may at the date hereof or at any time hereafter be in possession of information in relation to one or more Reference Items that is or may be material in the context of an issue of Securities and may or may not be publicly available to Securityholders. There is no obligation on the Bank or any Dealer to disclose to Securityholders any such information.

The Bank and/or any of its Affiliates may have existing or future business relationships with any Reference Item or, if applicable, any of their subsidiaries or Affiliates or any other person or entity having obligations relating to any Reference Item (including, but not limited to, dealing, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Securityholder, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to any breach, event of default, credit event or termination event) on any Reference Item or any investor in Securities.

13.4 Substitution of Bank

Base General Condition 7 (*Substitution of the Bank*) permits the Bank to substitute for the Bank another company subject as provided in Base General Condition 7 (*Substitution of the Bank*). Base General Condition 7 (*Substitution of the Bank*) provides that no guarantee of Lloyds TSB Bank plc is necessary if the Substitute is its holding company.

13.5 Disruption events and adjustment provisions

If an issue of Reference Item Linked Securities includes provisions dealing with the occurrence of disruption events on a Valuation Date or an Averaging Date and the Bank determines that, in relation to such Securities, such Valuation Date or such Averaging Date, as the case may be, is a disrupted day, any consequential postponement of the Valuation Date or Averaging Date or any alternative provisions for valuation provided in any Securities may have an adverse effect on the value of such Securities. If so specified in the relevant Final Terms, the postponement of a Valuation Date or Averaging Date may result in the postponement of the day on which payment or delivery in respect of interest and/or principal is made beyond the date scheduled for delivery and/or payment.

Where the Additional Disruption Product Conditions are applicable, the Securities may be subject to adjustment or substitution of an affected Reference Item with an alternative Reference Item, or may be redeemed in the event of certain Additional Disruption Events occurring. Prospective investors should review the Conditions to ascertain whether and how such provisions apply to the Securities.

An investor in the Notes should ensure he fully understands the nature of the disruption events and possible consequences and fallbacks that could impact the Securities or any relevant Reference Item(s). The occurrence of any applicable disruption event may affect adversely the investors' investment schedule, timetable or plans with which the payment dates of the Securities are in connection.

13.6 Settlement Disruption Event

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date (in the case of Warrants), or on the Delivery Date (in the case of Redeemable Certificates or Notes), settlement or redemption, as the case may be, will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event, provided that the Bank may elect, in its sole and absolute discretion, to satisfy its obligations in respect of the Security, or Unit, if applicable, by delivering the Asset Amount using such other manner as it may select in its sole and absolute discretion, and in such event, the Delivery Date shall be such day the Bank deems appropriate. The Bank in these circumstances also has the right to pay the Disruption Cash Settlement Price in lieu of delivering the Asset Amount.

If, in relation to Physical Delivery Securities, "*Failure to Deliver due to Illiquidity*" is specified as applying in the relevant Final Terms and, following exercise or on the date of redemption or maturity, as the case may be, of such Securities, it is impossible or impracticable, in the opinion of the Calculation Agent, to deliver, when due, some of all of the Relevant Assets (as specified in the Final Terms) where such failure to deliver is due to illiquidity in the market for such Relevant Assets, the Bank has the right to pay the Failure to Deliver Settlement Price, in lieu of delivering some or all of such Relevant Assets which are affected by such illiquidity.

13.7 Variation of Settlement

If the relevant Final Terms in respect of any Securities indicates that the Bank has an option to vary settlement in respect of such Securities, the Bank may, at its sole and absolute discretion, elect (a) not to pay the relevant Securityholders the Cash Settlement Amount, but to deliver or procure delivery of the Asset Amount or (b) not to deliver or procure delivery to the relevant Securityholders of the Asset Amount, but to make payment of the Cash Settlement Amount.

13.8 Cancellation or Redemption due to illegality or change in law

If either the Bank determines in good faith in accordance with either Base Note Condition 5(d) (*Redemption for Illegality or Change in Law*) or Base C&W Condition 9(a) (*Cancellation or Redemption due to Illegality, Change in*

Law or Taxation) that either (i) it has become or will become unlawful, illegal, or otherwise prohibited in whole or in part or (ii) the Bank will incur a materially increased cost (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Bank and/or any of its Affiliates) in performing its obligations under the Securities or in holding, acquiring or disposing of any arrangement made to hedge its positions under the Securities, whether under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or in the interpretation thereof (an “**Illegality**”), the Bank may cancel such Securities. If the Bank cancels the Securities, then the Bank will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security equal to the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of the C&W Securities), which amount in either case shall be adjusted to account fully of any Unwind Costs, if specified as applicable in the relevant Final Terms, notwithstanding such unlawfulness, illegality or other prohibition.

13.9 Cancellation or Redemption due to taxation

If at any time a payment of principal or interest in respect of the Notes was to be due (whether or not the same is in fact then due), and the Bank would, for reasons outside its control, be unable, after making reasonable endeavours, to make such payment of principal or interest without having to pay additional amounts as provided or referred to in Base Note Condition 8 (*Taxation*), the Bank may, at its option, redeem the Notes.

If the Bank determines in good faith that either the performance of its obligations under the C&W Securities or that any arrangements made to hedge its position under the C&W Securities: (i) has resulted in; or (ii) will result in the Bank and/or any of its Affiliates not being entitled to tax relief in respect of any losses, costs or expenses incurred in relation to the C&W Securities or such hedging arrangements or any other adverse tax consequences, the Bank may cancel such C&W Securities.

If the Bank redeems or cancels the Securities for taxation reasons, then the Bank will pay an amount to each Securityholder in respect of each Security equal to the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of the C&W Securities), which amount in either case shall be adjusted to account fully of any Unwind Costs, if specified as applicable in the relevant Final Terms.

13.10 Securityholder Meetings

The Terms and Conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

13.11 Change of law

The Terms and Conditions of the Securities are based on English law in effect as at the date of issue of the relevant Securities. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Securities.

13.12 Expenses and taxes

If Expenses are specified as applicable in the Final Terms, a holder of Securities must pay all Expenses relating to the Securities. As used in the Base General Conditions, “**Expenses**” means all taxes, duties and/or expenses, including any applicable depository charges, transaction, exercise or redemption charges, trading costs, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or taxes or duties arising in connection with the exercise or redemption, as the case may be, of the Securities and/or, where applicable, the delivery or transfer of any Asset Amount as more fully set out in Base General Condition 14 (*Expenses and Taxes*); provided, that, a Securityholder’s obligation to pay any taxes or duties described above shall be satisfied to the extent that the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of Securities) already takes into account such amounts.

The Bank will not be liable for, or otherwise obliged to pay, any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise or redemption or enforcement of any security by any person and all payments and/or deliveries made by the Bank will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted (whether by operation of law or agreement of the Bank and its agents).

Prospective Securityholders should note that, where the relevant Securities are C&W Securities, the Bank is not required to pay any additional amounts to the holders of C&W Securities to cover such taxes, duties, withholdings or other payments.

As described fully in Base Note Condition 8, where:

- (i) the relevant Securities are Notes; and
- (ii) payments of principal and/or interest in respect of a Note, Receipt or Coupon are subject to deduction for or on account of withholding taxes imposed by the United Kingdom,

the Bank will (subject to certain limitations and exceptions) pay such additional amounts as may be necessary in order that the net amounts of principal and interest received by the Securityholders after the deduction shall equal the respective amounts which would have been receivable in the absence of such deduction.

13.13 *EU Savings Directive*

Under European Commission Council Directive 2003/48/EC (the “**EU Savings Directive**”) on the taxation of savings income, 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, or collected by such a person for, an individual resident or certain other persons in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

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

13.14 *Potential U.S. Foreign Account Tax Compliance Act withholding after 31 December 2016*

Under certain provisions of the U.S. Internal Revenue Code (commonly referred to as “**FATCA**”), the Bank and its non-U.S. subsidiaries will be subject to withholding on certain payments of U.S. source income made after 31 December 2013, on certain payments of gross proceeds made after 31 December 2014, and on certain payments made from other non-U.S. financial institutions (regardless of source) after 31 December 2016 unless the Group enters an agreement with the U.S. Internal Revenue Service (“**IRS**”) to report to the IRS information about the Group’s “United States accounts” and comply with certain reporting, verification, due diligence, withholding and other procedures to be established by the IRS. The Company expects to enter into such an agreement with the IRS (a “**FATCA agreement**”), but there can be no assurance that it will do so. The U.S. Treasury Department and the IRS recently proposed regulations that would implement certain provisions of FATCA. This discussion is based in part on these proposed regulations, which are not yet effective and may be modified in a way that would alter the application of FATCA to the Bank and the Securities.

Provided that the Securities are not treated as equity for U.S. federal income tax purposes, and unless the Securities are materially modified on or after 1 January 2013, no payment on Securities issued before that date will be subject to FATCA withholding. With respect to Securities that are treated as equity for U.S. federal income tax purposes or issued, or materially modified, on or after 1 January 2013 (“**non-grandfathered Securities**”), if the Bank enters a FATCA agreement, generally, the Bank will be required, pursuant to such FATCA agreement, to withhold amounts from “foreign passthru payments” made after 31 December 2016 on the non-grandfathered Securities if such Securities are “financial accounts” and payments are made to an account holder that does not provide information sufficient for the payor to determine whether the account holder is a U.S. person or should otherwise be treated as holding a “United States account” or fails to provide a waiver in any case in which a foreign law would prevent the reporting of such information (a “**recalcitrant account holder**”). Under proposed U.S. Treasury Regulations, the non-grandfathered Securities will not be “financial accounts” for these purposes unless the value of the Securities is determined primarily by reference to certain U.S. assets (e.g. debt or equity interests of U.S. domestic corporations). FATCA withholding may also be required on payments on the non-grandfathered Securities by the Bank, or by a financial intermediary with respect to the non-grandfathered Securities, that are made after 31 December 2016 (i) to, or through, a foreign financial institution that has not entered, or has not been deemed to have entered, a FATCA agreement or (ii) to a recipient that is a recalcitrant account holder, in each case to the extent that such payments are “foreign passthru payments”. Under current guidance, the term “foreign passthru payments” is not defined and it is not clear the extent to which payments on non-grandfathered Securities that are not “financial accounts” may be treated as “foreign passthru payments”, if at all.

In addition, on 8 February 2012, HM Treasury and the U.S. Treasury Department issued a joint statement expressing a mutual intent to enter an intergovernmental framework for the implementation of FATCA. Under preliminary guidance, if such a framework were entered, the Bank would not need to enter into a FATCA agreement with the IRS to avoid FATCA withholding on payments to it and the Bank would not need to withhold under FATCA on any payment to a financial institution or to a recalcitrant account holder in the UK or another jurisdiction that has entered the intergovernmental framework.

The Conditions specify that the Bank may issue further Securities (“**New Securities**”) having terms and conditions the same as any series of Securities already issued (“**Existing Securities**”) so that the New Securities shall be consolidated and form a single series with the Existing Securities. As explained above, Securities issued prior to 1 January 2013 are generally exempt from the withholding tax imposed by FATCA. However, there is uncertainty as to how an issue of New Securities on or after 1 January 2013 that will be consolidated, form a single series with, and have the same ISIN as Existing Securities issued prior to 1 January 2013 will affect the grandfathered status of the Existing Securities under FATCA.

In the event that any amount is withheld from a payment on a Security pursuant to FATCA, no additional amounts will be paid by the Bank and withheld amounts will be treated as paid for all purposes under the Securities. If any FATCA withholding is imposed, a beneficial owner of Securities that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return, which may entail significant administrative burden. A beneficial owner of Securities that is a foreign financial institution will be able to obtain a refund only to the extent an applicable income tax treaty with the United States entitles it to an exemption from, or reduced rate of, tax on the payment that was subject to withholding under FATCA. Holders of Securities should consult their own tax advisers as to how these rules may apply to payments they receive under the Securities and their ability to obtain a refund of any amounts withheld under FATCA.

13.15 Dividend Equivalent Payments

Payments on the Securities may be subject to U.S. withholding tax and/or early termination on account of U.S. withholding tax

Due to recently enacted U.S. legislation, payments on any Security that are, in whole or in part, directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity (a “**Dividend Equivalent Payment**”) may become subject to a 30 per cent. U.S. withholding tax when made to a beneficial owner that is not a: (a) a citizen or individual resident of the United States, as defined in Section 7701(b) of the U.S. Internal

Revenue Code, (b) a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organised in or under the laws of the United States, any State thereof or the District of Columbia; (c) an estate the income of which is subject to U.S. federal income tax without regard to its source; or (d) a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (y) such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person (a “**Non-U.S. holder**”). The imposition of this U.S. withholding tax will reduce the amounts received by Non-U.S. holders. Neither the Bank nor the Fiscal Agent nor any other person shall pay any additional amounts to the Non-U.S. holders in respect of such U.S. withholding. If a Non-U.S. holder becomes subject to this withholding tax, the Non-U.S. holder may be able to claim an exemption under its applicable double tax treaty. The application and interpretation of the rules governing U.S. withholding tax on Dividend Equivalent Payments is subject to change.

13.16 *Emerging markets*

Where the Securities relate to Reference Items which involve emerging market countries, investors should note that the risk of the occurrence and the severity of the consequences of the matters described herein may be greater than they would otherwise be in relation to more developed countries.

Securities that are linked to Reference Items involving an emerging market should be considered speculative. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, may be affected adversely by trade barriers, foreign exchange controls (including taxes), managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also may be affected adversely by their economic, financial, military and political conditions and the supply and demand for such currency in the global markets.

13.17 *Securities where denominations involve integral multiples*

In the case of Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Securities may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Specified Denominations.

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

13.18 *Discontinuation of offer period*

The offer period in relation to any Securities may be discontinued at any time.

13.19 *Early Redemption Amount or Early Cancellation Amount of Securities*

The Securities may be redeemed and cancelled earlier than the date scheduled for redemption and/or cancellation. If the Securities are redeemed or cancelled early, they will be redeemed at the applicable Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of the C&W Securities), which will be the fair market value thereof as determined by the Calculation Agent, which amount in either case shall be adjusted to account fully of any Unwind Costs if specified as applicable in the relevant Final Terms. Such amount may be less than the principal or nominal amount of such Security, or, if Units are specified as applicable in the relevant Final Terms, such Unit, and may not be sufficient such that if an investor were to reinvest such Early Redemption Amount or Early Cancellation Amount, as the case may be, it would, on the scheduled redemption or cancellation date, be worth an amount equal to the principal amount or nominal amount of such Security or Unit, as the case may be.

14 Certain additional Risk Factors associated with Warrants

14.1 C&W Exercise Notices

Investors should note that, except in the case of Cash Settled Securities where the relevant Final Terms states that “Automatic Exercise: No delivery of C&W Exercise Notice” applies, in order to receive payment of any amount or delivery of any asset due under a Warrant (regardless of whether or not such Warrant will be automatically exercised), the relevant holder will be required to deliver or send by authenticated SWIFT message (or such other method acceptable to the relevant clearing system) (confirmed in writing) a duly completed C&W Exercise Notice to Clearstream, Luxembourg or Euroclear, with a copy to the Bank in accordance with the Conditions.

14.2 Limitations on Exercise

(i) Maximum Exercise Number

If a Maximum Exercise Number is specified in the relevant Final Terms, the Bank will have the option to limit the number of Warrants exercisable on any date (other than on the final exercise date) to the maximum number specified in the relevant Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. If the total number of Warrants being exercised on any date (other than the Expiration Date) exceeds such maximum number and the Bank elects to limit the number of Warrants exercisable on such date, a Warrantholder may not be able to exercise on such date all Warrants that such Warrantholder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected in the sole and absolute discretion of the Bank. Unless otherwise specified in the relevant Final Terms, the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum exercise limitation and delayed exercise provisions.

(ii) Minimum Exercise Number

If a Minimum Exercise Number is specified in the relevant Final Terms, a Warrantholder must tender, or, in the case of Automatic Exercise, hold, the specified minimum number of Warrants at any one time in order to exercise and, if specified in the relevant Final Terms, if tendering or holding a number at any one time greater than the Minimum Exercise Number, such number must be an integral multiple of the number specified in the relevant Final Terms in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants or not having the requisite integral multiple will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Securities) or the Physical Settlement Value (in the case of Physical Delivery Securities) of such Warrants.

(iii) Time Lag after Exercise

Unless otherwise specified in the relevant Final Terms, in the case of any exercise of Warrants which are Cash Settled Securities, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined. Any delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the relevant Final Terms or the C&W Conditions. However, a delay in such determination could be significantly longer, particularly in the case of a delay in the exercise of Warrants arising from any daily maximum exercise limitation or the occurrence of a Disrupted Day or a Market Disruption Event (if applicable). Any such delay could decrease the Cash Settlement Amount of the Warrants being exercised from what it might otherwise have been and may result in such Cash Settlement Amount being zero. Warrantholders who have exercised their Warrants will not be compensated in respect of any such delay and it will not be possible to withdraw C&W Exercise Notices in respect of such Securities.

On exercise of Warrants which are Physical Delivery Securities, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Asset Amount is delivered. Any delay between the time of exercise and such delivery will be specified in the relevant Final Terms or the C&W Conditions. However, a delay in delivery could be significantly longer, particularly in the case of either a delay in the exercise of Warrants arising from any daily maximum exercise limitation or upon due determination by the Calculation Agent that a Settlement Disruption Event occurred at any relevant time. The value of the assets comprising the Asset Amount could increase or decrease during this period and could result in the value of the Asset Amount being less than the Exercise Price or possibly zero. Warrantholders who have exercised their Warrants will not be compensated in respect of any such delay and it will not be possible to withdraw C&W Exercise Notices in respect of such Warrants.

15 Risks related to Securities denominated in Renminbi

15.1 *The Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC*

The Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover the entire PRC and to make RMB trade and other current account item settlement available worldwide.

For further details in respect of remittance of Renminbi into and outside the PRC, see “*Remittance of Renminbi into and outside the PRC*”.

There is no assurance that the PRC government will continue gradually to liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

Holders of beneficial interests in Securities denominated in Renminbi may be required to provide certifications and other information (including Renminbi account information) in order to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

15.2 *There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the CNH Securities and the Bank’s ability to source Renminbi outside the PRC to service CNH Securities*

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The People’s Bank of China (“PBOC”), the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the settlement agreement on the Clearing of RMB Business (the “**Settlement Agreement**”) between the PBOC and the Bank of China (Hong Kong) Limited (the “**RMB Clearing Bank**”) to expand further the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As at 31 January 2012, the total amount of Renminbi deposit held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB 576 billion. In addition, participating banks are also required by the HKMA to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi

that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to RMB 20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the CNH Securities. To the extent the Bank is required to source Renminbi in the offshore market to service the CNH Securities, there is no assurance that the Bank will be able to source such Renminbi on satisfactory terms, if at all.

15.3 *Investment in the CNH Securities is subject to exchange rate risks and the Bank may make payments of interest and principal in U.S. dollars in certain circumstances*

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. In addition, although the Bank's primary obligation is to make all payments of interest and principal or other amounts with respect to the CNH Securities in Renminbi, in certain circumstances, and if so specified, the terms of the Securities allow the Bank to delay any such payment and/or make payment in U.S. dollars or another specified currency at the prevailing spot rate of exchange, and/or cancel or redeem such Securities, all as provided for in more detail in the Securities (see Product Condition 7.1 (*Payment of Alternative Currency Equivalent*)). As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a CNH Securityholder's investment in U.S. dollars or other applicable foreign currency terms will decline.

15.4 *Payments in respect of the CNH Securities will only be made to investors in the manner specified in the CNH Securities*

All payments to investors in respect of the CNH Securities will be made solely by (i) when CNH Securities are represented by a Global Security or a Global Note Certificate, transfer to a Renminbi bank account maintained in Hong Kong, in accordance with prevailing CMU rules and procedures, or (ii) when CNH Securities are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Bank cannot be required to make payment by any other means (including in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

15.5 *Risks related to payment of Securities in an Alternative Currency*

The Bank's primary obligation is to make all payments of interest, principal and other amounts with respect to Securities in the relevant Specified Currency (or, in the case of Currency Linked Securities, the currency in which payment is otherwise to be made on such Securities). However, if so specified in the Securities, in the event access to the Specified Currency becomes restricted to the extent that, by reason of a Scheduled Payment Currency Disruption Event (as defined in Product Condition 7)), it would, (having been requested to make such a determination by the Bank) in the opinion of the nominated adjudication agent (which may be the Bank, if so specified), be commercially impracticable for the Bank to pay interest or principal in the Specified Currency, the Bank may in its sole and absolute discretion (i) postpone the payment of any such amounts, (ii) make any such payment in the relevant Alternative Currency at the rates, and in the manner, set out in Product Condition 7 (*Alternative Currency Equivalent Provisions*) and the relevant Final Terms, (iii) postpone the payment and make such payment in the relevant Alternative Currency or (iv) cancel or redeem the Securities.

16 Risks relating to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk and credit risk which may affect the Securities.

16.1 *Possible illiquidity of the Securities in the secondary market*

There can be no assurance as to how any Securities will trade in the secondary market or whether such market will be liquid or illiquid. Application may be made to list an issue of Securities on a stock exchange, as indicated in the relevant Final Terms. The fact that Securities may be listed does not necessarily lead to greater liquidity. No assurance can be given that there will be a market for any Securities. If any Securities are not traded on any stock exchange, pricing information for such Securities may be more difficult to obtain, and the liquidity and market prices of such Securities may be adversely affected. The liquidity of the Securities may also be affected by restrictions on offers and sales of Securities in some jurisdictions. Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. Also, to the extent Securities of a particular issue are exercised or redeemed, as the case may be, the number of Securities of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Securities of such issue. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities.

Each of the Bank and any Dealer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation. A Dealer may, but is not obliged to, be a market-maker for an issue of Securities. Even if a Dealer is a market-maker for an issue of Securities, the secondary market for such Securities may be limited. To the extent that an issue of Securities becomes illiquid, a Securityholder may have to exercise, or await redemption of, such Securities to realise value.

16.2 *Over-issuance*

As part of its issuing, market-making and/or trading arrangements, the Bank may issue more Securities than those which are to be subscribed or purchased by third party investors. The Bank (or any of its affiliates) may hold such Securities for the purpose of meeting any investor interest in the future. Prospective investors in the Securities should therefore not regard the issue size of any Series as indicative of the depth or liquidity of the market for such Series, or of the demand for such Series.

16.3 *Exchange rate risks and exchange controls*

In the case of Cash Settled Securities, the Bank will pay the Cash Settlement Amount in respect of the Securities in the Specified Currency specified in the relevant Final Terms. This presents certain risks relating to currency conversions if a Securityholder'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 (a) the Investor's Currency-equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the Cash Settlement Amount in respect of the Securities and (c) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Cash Settlement Amount that investors may receive may be less than expected or zero.

16.4 *Investors in Securities cleared through Euroclear and Clearstream, Luxembourg rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Bank*

Securities issued under the Programme may be represented by one or more Global Securities or Global Note Certificates. Such Global Securities or Global Note Certificates may be deposited with a common depositary or a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Security or Global Note Certificate, investors will not be entitled to receive definitive

Securities or Note Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Securities or Global Note Certificates. While the Securities are represented by one or more Global Securities or Global Note Certificates, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg.

While the Securities are represented by one or more Global Securities or Global Note Certificates, the Bank will discharge its payment obligations under the Securities by making payments to the common depositary or a common safekeeper, as the case may be, for Euroclear or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Security or Global Note Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Securities. The Bank has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interest in the Global Securities or Global Note Certificates.

Holders of beneficial interests in the Global Securities or Global Note Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg to appoint appropriate proxies.

16.5 *Legal considerations may restrict certain investments*

The investment activities of certain investors are subject to 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 (1) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

16.6 *Credit ratings may not reflect all risks*

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

16.7 *Effect of credit rating reduction*

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the Bank's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Bank's outstanding securities by standard statistical rating services, such as Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and Fitch Ratings Limited. A reduction in the rating, if any, accorded to outstanding debt securities of the Bank by one of these rating agencies could result in a reduction in the trading value of the Securities.

16.8 *Determinations by the Calculation Agent*

The Conditions provide that the Calculation Agent has discretion to make certain determinations and judgements in respect of the Securities and certain adjustments to the Conditions, which could affect the amount payable by the Bank on the Securities. Such determinations, judgements or adjustments shall, in the absence of manifest error, be conclusive and binding on Securityholders. In making any determination, judgment or adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination or adjustment for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Calculation Agent shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Bank, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination or adjustment upon individual Securityholders. In exercising

its right to make such determinations, judgements and adjustments, the Calculation Agent is entitled to act in its sole and absolute discretion, but must act in good faith.

GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL SECURITIES

The following are the base conditions that will apply to all Securities (the “**Base General Conditions**”) in addition to the Base Note Conditions, in the case of the Notes, and in addition to the Base C&W Conditions, in the case of the C&W Securities, subject to amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms and any applicable Product Conditions. Where certain Product Conditions are specified in the relevant Final Terms for any Securities, these Base General Conditions shall be subject to such Product Conditions and will not apply to the extent they are inconsistent with the provisions of such Product Conditions. All capitalised terms that are not defined in these Base General Conditions will have the meanings given to them in the applicable Base Note Conditions or the Base C&W Conditions (as the case may be), the Product Conditions or the relevant Final Terms. References in these Base General Conditions or any Product Conditions to “Securities” are to the Securities of one Series only, not to all Securities or to any other Securities that may be issued under the Programme. The relevant Final Terms for the Securities are attached to the Global Security.

1 Definitions and Interpretation

(a) Definitions.

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

“**Affiliate**” is to, in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity, where, for these purposes, “*control*” means ownership of a majority of the voting power of an entity.

“**Clearing System**” means each clearance system specified as such in the relevant Final Terms and such further or alternative clearance system(s) as may be approved by the Bank from time to time and notified to the Securityholders in accordance with Base General Condition 15 (*Notices*).

“**Clearing System Cut-off Time**” means (a) in the case of Euroclear, 10:00 a.m., Brussels time, (b) in the case of Clearstream, Luxembourg, 10:00 a.m., Luxembourg time or (c) such other time as determined by the Calculation Agent.

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme.

“**Commodity Linked Security**” means Securities relating to a specified commodity or commodity index or a basket of commodities and/or commodity indices.

“**Currency Linked Security**” means Securities relating to a specified currency or a basket of currencies.

“**Dealer Agreement**” means the dealer agreement dated 20 April 2012 between the Bank and the Dealers named therein in respect of the Securities, and such additional persons that may be appointed dealer in respect of Securities from time to time.

“**Equity Linked Security**” means Securities relating to a specified share or a basket of shares.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**Final Terms**” means each C&W Final Terms and each Note Final Terms.

“**Hedging Party**” means, in respect of Securities, any party hedging the price risk of such Securities through any hedge or related trading position.

“**Index Linked Security**” means Securities relating to a specified index or a basket of indices.

“**Inflation Linked Security**” means Securities relating to a specified inflation index or a basket of inflation indices.

“**Reference Item**” means an underlying reference equity security (or basket of equity securities), an index (or basket of indices), an inflation index (or basket of inflation indices), a currency (or basket of currencies), a commodity or commodity index (or basket of either), or other basis of reference (if any).

“**Securities**” means Notes and C&W Securities, or any of them, as the context requires.

“**Specified Currency**” means the currency specified hereon or, if none is specified, the currency in which the Securities are denominated.

“**Warrant**” means a warrant issued by the Bank under its Notes, Certificates and Warrants Programme.

(b) Interpretation

In these Conditions, unless otherwise specified or the context otherwise requires,

- (i) references to a term, condition, variable or election being specified “hereon” shall be interpreted as such term, condition, variable or election being specified in the relevant Final Terms; and
- (ii) references to a Security shall, in respect of C&W Securities issued in Units, be interpreted as a Unit.

2 Further Issues

The Bank shall be at liberty from time to time without the consent of Securityholders to create and issue further Securities which (i) are expressed to be consolidated and form a single Series with the outstanding Securities and (ii) are identical in all respects with such Securities except for their respective issue dates and/or issue prices.

3 Purchases and Cancellation

(a) Purchases

The Bank or any of its subsidiaries, any Affiliate or any holding company of the Bank or any other subsidiary of any such holding company may at any time, but is not obliged to, purchase Securities (provided that, in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

Any Securities so purchased or otherwise acquired may, at the Bank’s discretion, be held or resold or surrendered for cancellation.

(b) Cancellation of Securities

All Securities purchased by or on behalf of the Bank or any of its subsidiaries or any holding company of the Bank or any other subsidiary of any such holding company may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Note Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Bank, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). C&W Securities may be cancelled through the applicable procedure of the relevant Clearing System.

Any Securities so cancelled may not be reissued or resold and the obligations of the Bank in respect of any such Securities shall be discharged.

4 Payments subject to Fiscal Laws

All payments in respect of the Securities are subject in all cases to any applicable fiscal or other laws, regulations, directives and orders of any court of competent jurisdiction and any agreements between the Bank and any taxing authority relating to fiscal matters, but without prejudice to the provisions of Base Note Condition 8 (*Taxation*). No commission or expenses shall be charged to Noteholders or Couponholders in respect of such payments. The Bank reserves the right to require a Securityholder to provide a Paying Agent, the Registrar or a Transfer Agent with such certification or information as may be required to enable the Bank to comply with the requirements of the United States

federal income tax laws or any agreement between the Bank and any taxing authority. The Bank will not be liable for any taxes, duties, assessments, fees, or governmental charges of whatever nature imposed or levied by such laws, regulations, directives, orders of any court of competent jurisdiction, or agreements, save as provided in Base Note Condition 8 (*Taxation*).

5 Meetings of Securityholders

The Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of the Conditions or any of the provisions of the Securities (including Receipts or Coupons) or the Agency Agreement, except that certain provisions of the Agency Agreement may only be modified subject to approval by Extraordinary Resolution passed at a meeting of Securityholders to which special quorum provisions shall have applied.

An Extraordinary Resolution duly passed at any meeting of the Securityholders shall be binding on all the Securityholders and, in the case of Notes, all Couponholders, whether or not they are present at the meeting, save, in the case of Warrants, for those Warrants remaining unexercised but for which an C&W Exercise Notice shall have been received as described in Base C&W Condition 6 (*Exercise Procedure*) prior to the date of the meeting. Warrants which have not been exercised but in respect of which an C&W Exercise Notice has been received as described in Base C&W Condition 6 (*Exercise Procedure*) will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Warrantholders.

Resolutions can be passed in writing if passed by holders of 66 per cent. by principal or nominal amount (in the case of Notes or C&W Securities where a Nominal Amount is specified) or by number (in the case of C&W Securities where no Nominal Amount is specified) of all relevant outstanding Securities.

The Conditions may be amended, modified or varied in relation to any Series of Notes.

In respect of Swedish Registered Securities, Securityholders appearing as such in the relevant register of Euroclear Sweden on the record date stated in the notice convening such meeting shall be permitted to vote on a meeting of Securityholders.

Any decision or Extraordinary Resolution passed by a meeting of Swedish Registered Securities Securityholders must always comply with Swedish law and Euroclear Sweden Rules. Amendments made are subject to what is permitted or otherwise possible to amend in the system of Euroclear Sweden.

6 Modifications

The Bank may modify these Conditions and/or the Agency Agreement without the consent of the Securityholders in any manner which the Bank may deem necessary or desirable, provided that either:

- (a) such modification is not materially prejudicial to the interests of the Securityholders in the sole and absolute discretion of the Bank (without considering the individual circumstances of any holders of Securities or the tax or other consequences of such adjustment in any particular jurisdiction);
- (b) such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with any mandatory provision of law of the jurisdiction in which the Bank is incorporated; or
- (c) in respect of Securities which the Bank determines (whether before or after issue) to list on a stock exchange, market or quotation system, such modification is made to enable such Securities to be listed on such stock exchange, market or quotation system.

Notice of any such modification, which will be binding on the Securityholders, will be given to the Securityholders in accordance with Base General Condition 15 (*Notices*) but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

7 Substitution of the Bank

The Bank (or any previously substituted company from time to time) shall, without the consent of the Securityholders, be entitled at any time to substitute for the Bank (or any such previously substituted company) any other company (the “**Substitute**”) as principal obligor in respect of all obligations arising from or in connection with the Securities, provided that (a) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (b) the Substitute shall have assumed all obligations arising from or in connection with the Securities and shall have become a party to the Agency Agreement, with any consequential amendments; (c) either (i) the Substitute shall be the holding company of the Bank (the holding company currently being Lloyds Banking Group plc, company number SC095000) or (ii) the obligations of the Substitute in respect of the Securities shall be unconditionally and irrevocably guaranteed by the Bank, (d) each stock exchange or listing authority on which the Securities are listed shall have confirmed that, following the proposed substitution of the Substitute, the Securities would continue to be listed on such stock exchange; and (e) the Bank shall have given at least 30 days’ prior notice of the date of such substitution to the Securityholders in accordance with Base General Condition 15 (*Notices*).

For Swedish Registered Securities, such substitution may only take place if Euroclear Sweden gives its consent to the substitution of the Bank for the Substitute.

In the case of a substitution pursuant to this Base General Condition 7, the Fiscal Agent may in its absolute discretion agree, without the consent of the relevant Securityholders, to a change of the law governing the Securities and/or the Agency Agreement provided that such change would not in the opinion of the Fiscal Agent be materially prejudicial to the interests of the Securityholders.

8 Calculation Agent

- (a) The Bank shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Security is outstanding. Where more than one Calculation Agent is appointed in respect of the Securities, references in the Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish, calculate or determine any rate or amount to be established, determined or calculated by it pursuant to any of the Conditions, or to comply with any other requirement, it shall forthwith notify the Bank and the relevant Agent and the Bank shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.
- (b) If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, the Bank shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Bank shall apply the provisions of Base Note Condition 4 (*Interest and other Calculations*) (in the case of Notes) or Base C&W Condition 4 (*Interest and other Calculations*)(in the case of C&W Securities), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.
- (c) The Bank reserves the right at any time to vary or terminate the appointment of the Calculation Agent, provided that there will at all times be a Calculation Agent. Notice of any termination of appointment of the Calculation Agent will be given to Securityholders in accordance with Base General Condition 15 (*Notices*).
- (d) In relation to each Series of Securities, the Calculation Agent (whether it be the Bank or another entity) acts solely as agent of the Bank and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.

- (e) The Calculation Agent may, with the consent of the Bank, delegate any of its obligations and functions to a third party as it deems appropriate and any determination or calculation by any such delegate shall be deemed to be a determination or calculation by the Calculation Agent.

9 Business Day Convention

If any date that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

- (i) the “Floating Rate Business Day Convention”, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen;
- (ii) the “Following Business Day Convention”, such date shall be postponed to the next day that is a Business Day;
- (iii) the “Modified Following Business Day Convention”, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- (iv) the “Preceding Business Day Convention”, such date shall be brought forward to the immediately preceding Business Day.

10 Non-Business Days

If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Base General Condition 8 and Product Condition 7 (*Alternative Currency Equivalent Provisions*), “**business day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation in such jurisdictions as shall be specified as “**Additional Financial Centres**” hereon and:

- (i) in the case of a payment in a currency other than Euro or Renminbi, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) in the case of a payment in Renminbi, on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of Renminbi payments; or
- (iii) in the case of a payment in Euro, which is a TARGET Business Day.

11 Swedish Issue Agent

In relation to Swedish Registered Securities, the Bank will, in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) appoint (a) Euroclear Sweden as the central securities depository, and (b) a Swedish Issue Agent. The Swedish Issue Agent appointed by the Bank will be specified in the relevant Final Terms.

The Bank is entitled to vary or terminate the appointment of the Swedish Issue Agent, provided that the Bank will appoint another Swedish Issue Agent that is duly authorised under the Swedish Financial Instruments Accounts Act (1998:1479). Euroclear Sweden and the Swedish Issue Agent act solely as agents of the Bank and do not assume any obligation to, or relationship of agency or trust with, the Securityholders.

References in the Conditions to “**Swedish Issue Agent**” shall mean the agent appointed in respect of any Series of Swedish Registered Securities as specified in the relevant Final Terms and references to “**Euroclear Sweden**” shall mean Euroclear Sweden AB, Box 7822, SE-103 97 Stockholm, Sweden.

12 Determinations

Any determination, judgment or adjustment made by the Bank and/or the Calculation Agent pursuant to the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Bank, the relevant Agents and the Securityholders. In particular, all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Base Note Condition 4 (*Interest and other Calculations*) (in the case of Notes) or Base C&W Condition 4 (*Interest and other Calculations*) (in the case of C&W Securities) whether by the Fiscal Agent, the Principal Certificate and Warrant Agent, the Calculation Agent or the Bank shall (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the relevant Agents and all Securityholders and (in the absence as aforesaid) no liability shall attach to the Bank or any relevant Agent, as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

In making any determination, judgment or adjustment pursuant to the Conditions, the Bank and/or Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bank and/or Calculation Agent shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Bank, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Securityholders.

Unless stated otherwise, the Bank or the Calculation Agent is entitled to act in its sole and absolute discretion, but it must act in good faith.

13 Events of Default and Enforcement

The occurrence of any of the following events shall be an event of default (each an “**Event of Default**”) and following any such Event of Default the holder of any Security may give written notice to the Fiscal Agent (in the case of the Notes) or the Principal Certificate and Warrant Agent (in the case of the C&W Securities) at its specified office that the Securities are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount (in the case of the Notes) or the Early Cancellation Amount (in the case of the C&W Securities), together with accrued interest (if any):

- (a) If the Bank shall not make payment in respect of any principal or any interest in respect of the Securities for a period of 14 days or more after the due date for the same (other than where the Bank withholds or refuses any such payment (A) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction or with any agreement between the Bank and any taxing authority, in each case applicable to such payment, the Bank, the Fiscal Agent, the relevant Paying Agent, Transfer Agent or Registrar or the holder of the Note, Receipt or Coupon the relevant Certificate and Warrant Agent or the holder of the C&W Security or (B) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said period of 14 days by independent legal advisers); or
- (b) The Bank fails to deliver any Asset Amount on the due date for delivery thereof and such failure to deliver has not been remedied within 30 calendar days of notice of such failure having been given to the Bank by any Securityholder, provided that an Event of Default shall not occur under this Condition 13(b) and any notice of failure shall not be valid if any of the conditions to settlement to be satisfied by the Securityholder have not been so satisfied as at the due date for delivery or the date of such notice of failure, or the Bank has elected to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price; or
- (c) If, otherwise than for the purposes of reconstruction or amalgamation, an order is made or an effective resolution is passed for winding-up the Bank.

14 Expenses and Taxes

- (a) If Expenses are specified as applicable in the relevant Final Terms, a Securityholder must pay or discharge all Expenses relating to such Security as provided in these Conditions and, in relation to any Security, no payment of any Cash Settlement Amount or delivery of any Asset Amount, in respect of such Security, will be made until all Expenses in relation to such Security have been paid or discharged to the satisfaction of the Bank.

“**Expenses**” means, unless otherwise specified in the relevant Final Terms, in relation to a Security or, if Units are specified in the applicable C&W Final Terms, a Unit, as the case may be, all taxes, duties and/or expenses, including any applicable depositary charges, transaction, exercise or redemption charges, trading costs, stamp duty, stamp duty reserve tax, issue, registration, transfer and/or taxes or duties arising in connection with the exercise or redemption, as the case may be, of such Security or Unit, as the case may be, and/or, where applicable, the delivery or transfer of the Asset Amount pursuant to the terms of such Security or Unit, if any, borne by the Bank or an Affiliate thereof, as determined by the Calculation Agent, provided, that, Expenses shall not include any taxes or duties described above to the extent that the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of Securities) already takes into account such amounts.

- (b) Except as required by Base Note Condition 8 (*Taxation*), the Bank shall not be liable for or otherwise obliged to pay any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise, redemption or enforcement of any Security by any person and all payments and/or deliveries made by the Bank shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted (whether by operation of law or agreement of the Bank or its agents).

15 Notices

- (a) *Notices to Noteholders*

Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in the United Kingdom (which is expected to be the Financial Times). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Base General Condition.

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the weekday (being a day other than a Saturday or a Sunday) after the date of mailing, provided that, if at any time by reason of the suspension or curtailment (or expected suspension or curtailment) of postal services within the United Kingdom or elsewhere the Bank is unable effectively to give notice to holders of Registered Notes through the post, notices to holders of Registered Notes will be valid if given in the same manner as other notices as set out above.

- (b) *Notices to Holders of C&W Securities*

All notices to C&W Securityholders shall be valid if (i) (A) delivered to Clearstream, Luxembourg and Euroclear for communication by them to the C&W Securityholders, (B) published in a daily newspaper with general circulation in the United Kingdom, expected to be the Financial Times or (C) published on the website of RNS at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> and any such notices shall be conclusively presumed to have been received by the C&W Securityholders and (ii) if and so long as the C&W Securities are listed on a stock exchange, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority. Any such notice shall be deemed to have been given on the date of such delivery or, if earlier, the date of any publication as required by any relevant stock exchange or, if published more than once, on the date of the first such publication.

- (c) *Notices to Holders of Swedish Registered Securities*

All notices to Swedish Registered Securities Securityholders shall be valid if sent by mail to each such Securityholder on the address registered for such Securityholder in the system of Euroclear Sweden or in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Sweden. Any such notice shall be deemed to have been given, if sent by mail to each such Securityholder, on the fourth day following the day the notice was sent by mail.

16 Documents Available for Inspection

Copies of the Base Prospectus, the Notes Deed of Covenant, the C&W Deed of Covenant, the Agency Agreement (which contains the form of the Note Final Terms and C&W Final Terms) and the applicable Note Final Terms and C&W Final Terms may be obtained during normal office hours from the registered office of the Bank and from the specified offices of each Fiscal Agent and Transfer Agents (in respect of Notes) and each Certificate and Warrant Agent (in the case of C&W Securities), save that if the Securities are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC, the relevant Final Terms will only be obtainable by a Securityholder and such Securityholder must first produce evidence satisfactory to the Bank or the relevant Fiscal Agent or Certificate and Warrant Agent, as the case may be, as to its holding of Securities and its identity.

17 Severability

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

18 Governing Law

The Securities, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

19 Third Party Rights

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

TERMS AND CONDITIONS OF THE NOTES

The following are the base conditions that will apply to the Notes (the “**Base Note Conditions**”), together with the Base General Conditions (set out below), in each case subject to amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms document (the “**Note Final Terms**”) and any applicable Product Conditions specified to be applicable in such Note Final Terms. Where any Product Conditions are specified in the applicable Note Final Terms for any Notes to be applicable to such Notes, these Base Note Conditions shall be subject to the provisions contained in such Product Conditions and will not apply to the extent they are inconsistent with the provisions of such Product Conditions. In all cases, these Base Note Conditions and the provisions of such Product Conditions shall be subject to the applicable Note Final Terms, and will not apply to the extent they are inconsistent with the provisions of such Note Final Terms. All capitalised terms that are not defined in these Base Note Conditions will have the meanings given to them in the applicable Product Conditions or applicable Note Final Terms unless the context indicates otherwise. References in these Base Note Conditions or any Product Conditions to Securities are to the Notes of one Series only, not to all Notes or to C&W Securities that may be issued under the Programme.

The Product Conditions are set out under the heading “*Product Specific Terms and Conditions*” as follows:

Terms and Conditions for Index Linked Securities	Chapter 1
Terms and Conditions for Inflation Linked Securities	Chapter 2
Terms and Conditions for Equity Linked Securities	Chapter 3
Terms and Conditions for Currency Linked Securities	Chapter 4
Terms and Conditions for Commodity Linked Securities	Chapter 5
Terms and Conditions for Additional Disruption Events	Chapter 6
Terms and Conditions for Alternative Currency Equivalent	Chapter 7

The Notes (such Securities being hereunder referred to as the “**Notes**”) are issued by Lloyds TSB Bank plc (the “**Bank**”) acting through its London office pursuant to an Agency Agreement dated 14 June 2011, as amended and restated on 20 April 2012 (the “**Agency Agreement**”), in relation to the Notes between the Bank, Citibank, N.A., London Branch, as fiscal agent and, in respect of CMU Notes (as defined below), Citicorp International Limited, as CMU fiscal agent and the other agents named in it. The Notes have the benefit of a deed of covenant dated 20 April 2012 (the “**Notes Deed of Covenant**”). The fiscal agent in respect of Notes other than CMU Notes, the fiscal agent in respect of CMU Notes, the CMU lodging agent, the Swedish issue agent, the paying agents, the registrar, the transfer agent and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the “**Fiscal Agent**”, the “**CMU Fiscal Agent**”, together the “**Fiscal Agents**” (which expression shall, where the context so permits, include the Fiscal Agent and the CMU Fiscal Agent), the “**CMU Lodging Agent**”, the “**Swedish Issue Agent**”, the “**Paying Agents**”, the “**Registrar**”, the “**Transfer Agents**” (which expression shall, where the context so permits, include the Registrar) and the “**Calculation Agent(s)**”, provided that (i) in respect of CMU Notes, references in these Base Note Conditions to the Fiscal Agent shall be construed as references to the CMU Fiscal Agent and references to a Paying Agent shall be construed as references to the CMU Fiscal Agent in its capacity as Paying Agent and (ii) in respect of Swedish Registered Securities, references in these Base Note Conditions to Fiscal Agent shall be deemed to include the Swedish Issue Agent where the context so permits.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments (the “**Receiptholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”), in each case in the Specified Denomination(s) shown hereon.

Notwithstanding the above, the Bank may issue notes in uncertificated and dematerialised book-entry form (“**Swedish Registered Notes**”). No global notes or definitive notes representing the Notes will be issued in respect of Swedish Registered Notes, and these Base Note Conditions shall be construed accordingly.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Inflation Linked Interest Note, an Inflation Linked Redemption Note, an Equity Linked Interest Note, an Equity Linked Redemption Note, a Currency Linked Interest Note, a Currency Linked Redemption Note, a Commodity Linked Interest Note, a Commodity Linked Redemption Note, an Instalment Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

The applicable Note Final Terms will indicate whether settlement shall be by way of cash payment (“**Cash Settled Securities**”) and/or physical delivery (“**Physical Delivery Securities**”).

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Base Note Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

References in these Base Note Conditions to Coupons, Talons and to Global Securities shall not apply to Swedish Registered Notes. Swedish Registered Notes of one Specified Denomination may not be exchanged for Swedish Registered Notes of another Specified Denomination.

Registered Notes are represented by registered certificates (“**Note Certificates**”).

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Bank shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Note Certificate representing it) or its theft or loss (or that of the related Note Certificate) and no person shall be liable for so treating the holder.

Title to Swedish Registered Notes will pass by registration in the register that the Bank will procure to be kept by Euroclear Sweden on behalf of the Bank. Where a nominee is so evidenced it shall be treated as the holder of the relevant Swedish Registered Notes.

In these Base Note Conditions, “**Noteholder**” or “**Securityholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) *Exchange of Exchangeable Bearer Notes*

Subject as provided in Base Note Condition 2(g) (*Closed Periods*), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Base Note Condition 6(b)) (*Registered Notes*) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) *Transfer of Registered Notes*

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Note Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Note Certificate duly completed and executed and such other evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor. In the case of a transfer of part only of a holding of Registered Notes represented by one Note Certificate, a new Note Certificate shall be issued to the transferee in respect of the part transferred and a further new Note Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Bank, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) *Transfer of Swedish Registered Notes*

Swedish Registered Notes will be transferable only in accordance with the provisions of the Swedish Financial Instruments Accounts Act (1998:1479), other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Sweden.

(d) *Exercise of Options or Partial Redemption in Respect of Registered Notes*

In the case of an exercise of the Bank's or a Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Note Certificate, a new Note Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Note Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Note Certificates shall only be issued against surrender of the existing Note Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Note Certificate representing the enlarged holding shall only be issued against surrender of the Note Certificate representing the existing holding.

(e) *Delivery of New Note Certificates*

Each new Note Certificate to be issued pursuant to Base Note Condition 2(a) (*Exchange of Exchangeable Bearer Notes*), 2(b) (*Transfer of Registered Notes*) or 2(d) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Note Exercise Notice (as defined in Base Note Condition 5(f) (*Redemption at the Option of Noteholders*)) or surrender of the Note Certificate for exchange. Delivery of the new Note Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Note Exercise Notice or Note Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Note Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new

Note Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Fiscal Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Base Note Condition 2(e), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(f) *Exchange Free of Charge*

Exchange and transfer of Notes and Note Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Bank, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require).

(g) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Bank at its option pursuant to Base Note Condition 5(e) (*Redemption at the Option of the Bank*), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Note Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Status of the Notes

Subject to such exceptions as may be provided by mandatory provisions of applicable law, the Notes and the Receipts and Coupons relating to them constitute unsecured and unsubordinated obligations of the Bank and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Bank.

4 Interest and other Calculations

The Notes may bear interest by reference to one or more fixed rates (“**Fixed Rate Notes**”), by reference to one or more floating rates (“**Floating Rate Notes**”), by reference to an equity or basket of equities (“**Equity Linked Interest Notes**”), by reference to an index or basket of indices (“**Index Linked Interest Notes**”), by reference to an inflation index or basket of inflation indices (“**Inflation Linked Interest Notes**”), by reference to a currency or basket of currencies (“**Currency Linked Interest Notes**”), by reference to a commodity, a commodity index or a basket of either (“**Commodity Linked Interest Notes**”) or by reference to some other formula or method as specified in the Note Final Terms.

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest, and such interest shall be payable, subject as provided herein, in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Base Note Condition 4.

(b) *Interest on Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes and Notes with other variable-linked interest provisions*

(i) *Interest Payment Dates*

Each Floating Rate Note, Index Linked Interest Note, Inflation Linked Interest Note, Equity Linked Interest Note, Currency Linked Interest Note and Commodity Linked Interest Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a

percentage) equal to the Rate of Interest (unless an Interest Amount is payable in respect of such Note), such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Base Note Condition 4(g) (*Calculations*). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

If any date referred to in these Base Note Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated hereon, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (I) the offered quotation; or

(II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (y) If the Relevant Screen Page is not available or if sub-paragraph (x)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case, as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency (as defined in Base Note Condition 4(i) (*Definitions*)) for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London interbank market or, if the Reference Rate is EURIBOR, the Euro-zone interbank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate at which, at the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Bank suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London interbank market or, if the Reference Rate is EURIBOR, the Euro-zone interbank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph (z), the Rate of Interest shall be determined by the Calculation Agent in its sole and absolute discretion (though substituting, where a different Margin or Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (iv) *Rate of Interest or Interest Amount for Index Linked Interest Notes, Inflation Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes and Notes with other variable-linked interest provisions*

The Rate of Interest or Interest Amount in respect of Index Linked Interest Notes, Inflation Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes and Notes with other variable-linked interest provisions for each Interest Accrual Period shall be determined in the manner specified hereon on the Interest Determination Date, and interest will accrue by reference to the relevant Reference Item(s) or formula as specified hereon.

- (c) *Zero Coupon Notes*

Where a Note, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the due date for redemption, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Base Note Condition 5(b)(i)(B)).

- (d) *Partly Paid Notes*

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

- (e) *Accrual of Interest*

Interest (if any) shall cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless (upon due presentation thereof where presentation is required) payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue or, in the case of Zero Coupon Notes, shall accrue (in each case, both before and after judgment) at the Rate of Interest in the manner provided in this Base Note Condition 4 to (but excluding) the Relevant Date (as defined in Base Note Condition 8 (*Taxation*)).

- (f) *Margin, Maximum Rate of Interest, Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding*

- (i) If any Margin is specified hereon (either (A) generally or (B) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest in the case of (A), or the Rates of Interest for the specified Interest Accrual Periods in the case of (B), calculated in accordance with Base Note Condition 4(b) (*Interest on Floating Rate Notes, Index Linked Interest Notes, Inflation Linked Interest Notes, Equity Linked Interest Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes and Notes with other variable-linked interest provisions*) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum Rate of Interest and/or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum and/or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Base Note Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes, “**unit**” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(g) *Calculations*

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest for such Interest Accrual Period, the Calculation Amount specified hereon and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period or on the relevant Interest Payment Date shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply, save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

(h) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts*

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or Interest Payment Date, calculate the Final Redemption Amount(s), Early Redemption Amount, Optional Redemption Amount or any Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and/or the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount(s), Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Bank, each of the Paying Agents, the Registrar, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange or admitted to listing by another relevant authority and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Base Note Condition 4(b)(ii) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published 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 repayable under Base General Condition 13 (*Events of Default and Enforcement*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Base Note Condition 4 (*Interest and Other Calculations*) but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding on all parties.

(i) *Definitions*

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

“**Business Day**” means:

- (i) in the case of a currency other than Euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; or
- (ii) in the case of Euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); or
- (iii) in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of Renminbi payments; and

- (iv) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in any Business Centre(s) specified hereon.

“**Calculation Amount**” means the amount per Note specified in the applicable Note Final Terms.

“**Cash Settlement Amount**” means, in relation to Notes which are Cash Settled Securities, unless otherwise specified hereon The Final Redemption Amount in relation to each such Note.

“**CMU Notes**” or “**CMU Securities**” means Notes denominated in any lawful currency which the CMU Service accepts for settlement from time to time that are, or are intended to be, cleared through the CMU Service.

“**CMU Service**” or “**CMU**” means the Central Moneymarkets Unit Service operated by the HKMA.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

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

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

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

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

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

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

- (vii) if “**Actual/Actual ICMA**” is specified hereon:

- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in such Calculation Period divided by the product of:

- (x) the number of days in such Determination Period; and
- (y) the number of Determination Periods normally ending in any year; or

- (B) if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year;

where:

“**Determination Period**” means the period from and including a Determination Date (as specified hereon) in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

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

“**Euro-zone**” means the region comprising of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“**HKMA**” means the Hong Kong Monetary Authority appointed pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong) or its successors.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date falling at the end of the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Renminbi or (ii) the day falling two Business Days, in London for the Specified Currency, prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, Euro or Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“**Interest Payment Date**” means each date specified as such hereon.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified hereon.

“**ISDA Definitions**” means the 2006 ISDA Definitions, as amended and supplemented and published by the International Swaps and Derivatives Association, Inc. (or as otherwise specified hereon).

“**PRC**” means the People’s Republic of China which, for the purpose of these Base Note Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Calculation Agent or as specified hereon.

“**Reference Rate**” means the rate specified as such hereon.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified hereon and any successor thereto.

“**Relevant Time**” means, if the Reference Rate is LIBOR, approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, 11.00 a.m. (Brussels time) or as otherwise specified hereon.

“**Renminbi**” means the lawful currency of the People’s Republic of China.

“**Specified Currency**” means the currency specified hereon or, if none is specified, the currency in which the Notes are denominated.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

(j) *Nature of the Return*

Any interest paid to the Noteholder shall constitute consideration paid for the use of the principal and for the assumption of the risk that the Noteholder may not recover its original investment or that its return may be variable.

5 Redemption, Purchase and Options

(a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Base Note Condition 5, each Note that provides for Instalment Dates and Instalment Amounts (“**Instalment Notes**”) shall be partially redeemed on each Instalment Date in instalments (the amount of each instalment, an “**Instalment Amount**”) at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note (unless it is an Index Linked Redemption Note, an Inflation Linked Redemption Note, an Equity Linked Redemption Note, a Currency Linked Redemption Note or a Commodity Linked Redemption Note, each of which will be finally redeemed in accordance with Base Note Condition 7 (*Settlement*) and Product Condition 1.1 (*Settlement of Index Linked Securities*), Product Condition 2.1 (*Redemption of Inflation Linked Securities*), Product Condition 3.1 (*Settlement of Equity Linked Securities*), Product Condition 4.1 (*Redemption of Currency Linked Securities*), Product Condition 5.1 (*Settlement of Commodity Linked Securities*), respectively), shall be finally redeemed on the date on which the Notes mature (the “**Maturity Date**”) specified hereon at its Final Redemption Amount(s) (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) *Early Redemption*

- (i) Zero Coupon Notes
 - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to

Base Note Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and repayable as provided in Base General Condition 13 (*Events of Default and Enforcement*), shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount(s) of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield applied on a compounded or non-compounded basis as specified hereon (which, if none is shown hereon, shall be such rate (compounded annually) as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date).
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Base Note Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and repayable as provided in Base General Condition 13 (*Events of Default and Enforcement*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as calculated in accordance with sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the Maturity Date was replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph (C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount(s) of such Note on the Maturity Date together with any interest that may accrue in accordance with Base Note Condition 4(c) (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above), unless otherwise specified in the Note Final Terms, upon redemption of such Note pursuant to Base Note Condition 5(c) (*Redemption for Taxation Reasons*), Base Note Condition 5(d) (*Redemption for Illegality or Change in Law*), Product Condition 1.3(ii)(4) (*Modification and Cessation of Calculation of an Index*), Product Condition 2.3(b)(v) (*Cessation of Publication*), Product Condition 3.3(b)(4) (*Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Securities in respect of Underlying Equities and Correction of Underlying Equity Prices*), Product Condition 4.5(d) (*Rebasing of Securities*), Product Condition 5.3(e) (*Adjustments to Commodity Index*), Product Condition 6.2 (*Occurrence of Additional Disruption Events*), Product Condition 7.1 (*Payment of Alternative Currency Equivalent*), upon it becoming due and repayable as provided in General Condition 13 (*Events of Default and Enforcement*) or otherwise, shall mean, an amount in respect of each Note, which amount shall be the fair market value of a Note on a day selected by the Bank in its sole and absolute discretion (but which fair market value in the case of an Event of Default, shall be determined immediately prior to the date of early redemption), and, if Unwind Costs are specified as applicable in the relevant Note Final Terms, adjusted to take account fully of Unwind Costs.

(c) *Redemption for Taxation Reasons*

- (i) If at any time a payment of principal or interest in respect of the Notes was to be due (whether or not the same is in fact then due) on or before the next Interest Payment Date (if applicable) or the Maturity Date, and the Bank would, for reasons outside its control, be unable, after making reasonable endeavours, to make such payment of principal or interest without having to pay additional amounts as provided or referred to in Base Note Condition 8 (*Taxation*), the Bank may, at its option, having given not less than 30 nor more than 60 days' notice in accordance with Base General Condition 15 (*Notices*), redeem on such Interest Payment Date (if the Note is an interest bearing Note other than a Fixed Rate Note) or at any time (if the Note is a Fixed Rate Note or a non-interest bearing Note) all, but not some only, of the Notes then outstanding at the Early Redemption

Amount (as described in Base Note Condition 5(b) (*Early Redemption*)) (together with interest accrued to (but excluding) the date fixed for redemption, if applicable).

- (ii) Subject only to the obligation of the Bank to use such endeavours as aforesaid, it shall be sufficient to establish the existence of the circumstances required to be established pursuant to this Base Note Condition 5(c) if the Bank shall deliver to the Fiscal Agent a certificate of an independent lawyer or accountant satisfactory to the Fiscal Agent, in a form satisfactory to the Fiscal Agent, to the effect either that such circumstances exist or that, upon a change in, or amendment to, the taxation laws (or regulations made thereunder) of the United Kingdom or any authority thereof or therein having power to tax or any change in the application or official interpretation of such laws or regulations, which at the date of such certificate is proposed and which in the opinion of such lawyer or accountant can reasonably be expected to become effective on or prior to such Interest Payment Date or time as is referred to in paragraph (i) above, becoming so effective, such circumstances would exist.

(d) *Redemption for Illegality or Change in Law*

If at any time, the Bank determines in good faith that either (i) it has become or will become unlawful, illegal, or otherwise prohibited in whole or in part or (ii) the Bank will incur a materially increased cost in (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Bank and/or any of its Affiliates) in performing its obligations under the Notes or in holding, acquiring or disposing of any arrangement made to hedge its positions under the Notes, whether under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or in the interpretation thereof (an “**Illegality**”), then the Bank may, at its option, having given not less than 30 nor more than 60 days’ notice in accordance with Base General Condition 15 (*Notices*), redeem on an Interest Payment Date (if the Note is an interest bearing Note other than a Fixed Rate Note) or at any time (if the Note is a Fixed Rate Note or a non-interest bearing Note) all, but not some only, of the Notes then outstanding at the Early Redemption Amount (as described in Base Note Condition 5(b) (*Early Redemption*) above) (together with interest accrued to (but excluding) the date fixed for redemption, if applicable).

(e) *Redemption at the Option of the Bank*

If Call Option is specified hereon, the Bank may, on giving not less than 5 Business Days irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some only of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Base Note Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws, stock exchange requirements or the requirements of any other relevant authority.

(f) *Redemption at the Option of Noteholders*

If Put Option is specified hereon, the Bank shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 15 nor more than 30 days’ notice to the Bank (or such other notice period as may be specified hereon), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption, if applicable.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes)

the Note Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (a “**Note Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Note Certificate so deposited and option exercised may be withdrawn without the prior consent of the Bank.

Notwithstanding anything to the contrary in these Base Note Conditions, if Notes are Swedish Registered Notes, the exercise of this option will not be effective against the Bank before the date on which the relevant Notes have been transferred to the account designated by the Swedish Issue Agent, which, for the purposes of the relevant Swedish Registered Notes, is an account operator specifically authorised by Euroclear Sweden and appointed by the Bank in relation to a specific issue or issues to process and register issues in the system of the relevant central securities depository and clearing institution, and blocked for further transfer as of the Optional Redemption Date(s) by the Swedish Issue Agent.

In the case of the relevant Swedish Registered Notes, the right to require redemption of such Notes in accordance with this Condition 5(f) must be, notwithstanding the above, exercised in accordance with the rules and procedures of Euroclear Sweden and if there is any inconsistency between the terms set out herein and the rules and procedures of Euroclear Sweden, then the rules and procedures of Euroclear Sweden shall prevail.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Base Note Condition 5 and the provisions specified hereon.

(h) *Unwind Costs*

“**Unwind Costs**” shall mean in respect of each Note, unless otherwise specified in the relevant Note Final Terms, an amount, equal to such Note’s *pro rata* portion of the value (determined in the currency in which the Notes are denominated) of any losses, expenses and costs to the Bank, any Hedging Party and/or any of its Affiliates and any loss of tax relief or other tax consequences of unwinding or adjusting any underlying or related swap agreement or other hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Bank, any Hedging Party and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole discretion.

6 Payments and Talons

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Base Note Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Base Note Condition 6(f)(ii)), as the case may be:

- (i) in the case of a currency other than Euro or Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency; and
- (ii) in the case of Euro, at the specified office of any Paying Agent outside the United States by a cheque payable in Euro drawn on, or, at the option of the holder, by transfer to an account denominated in Euro with, a bank in a city in which banks have access to the TARGET System; and
- (iii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

(b) Registered Notes

- (i) Payments of principal (which for the purposes of this Base Note Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Note Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Base Note Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15th day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
 - (A) in the case of a currency other than Renminbi, in the relevant currency by a cheque drawn on a bank in the principal financial centre of such currency, subject as provided in Base Note Condition 6(a) (*Bearer Notes*), and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Base Note Condition 6(a) (*Bearer Notes*), such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank; and
 - (B) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Base Note Condition 6(b)(ii), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

- (iii) In respect of CMU Notes, payments of principal and interest in respect of such Notes shall be made by transfer to the registered account of the Noteholder(s). A Noteholder’s “**registered account**” means the account in the Specified Currency maintained by or on behalf of the Noteholder with a bank (whether or not the Specified Currency is Renminbi) in Hong Kong or in such other jurisdiction as may be specified by the Registrar from time to time, details of which appear on the Register at the close of business on the Record Date.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Bank shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Bank, any adverse tax consequence to the Bank.

(d) Payments in respect of Swedish Registered Notes

Any amounts payable in respect of the Swedish Registered Notes shall be made to the Noteholders registered as such on the fifth business day before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in the rules of Euroclear Sweden (and in each case as business day is defined by the then applicable rules of Euroclear Sweden). Such day shall be the Record Date in respect of the Swedish Registered Notes in accordance with the rules of Euroclear Sweden. Payments in respect of Swedish Registered Notes will be made to the persons registered as Noteholders in the register maintained by Euroclear Sweden. If the date for payment of any amount in respect of Swedish Registered Notes is not a Stockholm Banking Day, the holder thereof shall not be entitled to payment until the next following Stockholm Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Stockholm Banking Day**” means any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Stockholm.

At any time before the Issue Date, the Bank may decide to (i) cancel the issue or postpone the Issue Date and other dates if any event or circumstance occurs which, in the Bank's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the applicable Note Final Terms or if the Bank determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an event or circumstance mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Euroclear Sweden, STIBOR increased by one percentage point. Interest will not be capitalised.

Where the Bank or any Agent or the Swedish Issue, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign) or an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Note Final Terms, or from the provisions of the Swedish Financial Instruments Accounts Act (SFS 1998:1479).

“**STIBOR**” means the average of the interest rates quoted at approximately 11:00 a.m. on the first Banking Day after the relevant payment date in each seven-day period or part thereof on Reuters page “SIDE” (or through any other system or on any other page as shall replace the system or page stated) for one-week-funds or, if no such quotation is given, the interest rate which is stated by three first ranking Swedish banks selected by the Bank to be their funding cost at that time for one-week-funds in Swedish Kronor in the Stockholm interbank market; if the interest rate for a certain period cannot be determined as stated as a result of any disruption, then the interest rate for such period shall correspond to the average of the latest interest rate determined under the alternatives above before such disruption occurred and the first interest rate determined after the disruption has ceased.

(e) *Appointment of Agents*

The Fiscal Agent, the other Paying Agents, the Registrar and the Transfer Agents initially appointed by the Bank and their respective specified offices are listed below. Subject as provided in the Agency Agreement, the Fiscal Agent, the other Paying Agents, the Registrar and the Transfer Agents and the Calculation Agent act solely as agents of the Bank and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Bank reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar and any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Bank shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes which may be the Registrar, (iv) one or more Calculation Agent(s) where these Base Note Conditions so require, (v) a Paying Agent having a specified office in Europe, which, so long as the Notes are listed on the official list (the “**Official List**”) of the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the “**UK Listing Authority**”) and are admitted to trading on the London Stock Exchange plc's Regulated Market, shall be in London, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed, (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, and (viii) in respect of Swedish Registered Securities, a Swedish Issue Agent which is an account operator specifically authorised by Euroclear Sweden and appointed by the Bank in relation to a specific issue or specific issues to process and register issues in the system of the relevant central securities depository and clearing institution.

In addition, the Bank shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Base Note Condition 6(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders by the Bank in accordance with Base General Condition 15 (*Notices*).

(f) Unmatured Coupons and Receipts and unexchanged Talons

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than (A) any Fixed Rate Notes where the total value of the unmatured coupons appertaining thereto exceeds the nominal amount of such Note or (B) Index Linked Notes, Inflation Linked Notes, Equity Linked Notes, Currency Linked Notes and Commodity Linked Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years of the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Base Note Condition 9 (*Prescription*)).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Index Linked Note, Inflation Linked Note, Equity Linked Note, Currency Linked Note, a Commodity Linked Note or a Fixed Rate Note where the total value of the unmatured coupons exceeds the minimal amount of such Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Bank may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Note Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Note Certificate representing it, as the case may be.

(g) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Base Note Condition 9 (*Prescription*)).

7 Settlement*(a) Cash Settlement*

Subject as provided herein, if the Notes are Cash Settled Securities, each Note entitles its holder to receive from the Bank, on the Maturity Date, the Cash Settlement Amount less, if applicable, each Note's *pro rata* share of any Expenses, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear or CREST or the CMU Service, as the case may be.

(b) *Physical Settlement for Notes cleared through Clearstream, Luxembourg or Euroclear*

(i) Asset Transfer Notices

In relation to Notes which are Physical Delivery Securities, in order to obtain delivery of the Asset Amount(s) in respect of any Note, the relevant Noteholder must deliver, or send by authenticated SWIFT message (or such other method acceptable to the relevant Clearing System), to Clearstream, Luxembourg or Euroclear (as applicable) with a copy to the Fiscal Agent and the Bank, in each case, not later than the relevant Clearing System Cut-off Time on the date (the “**Cut-off Date**”) falling two Business Days prior to the Maturity Date, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in the form set out in the Agency Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Fiscal Agent during normal office hours) in accordance with the provisions set out in this Base Note Condition 7.

“**Asset Amount**” means, in relation to Notes which are Physical Delivery Securities, the quantity of the Relevant Asset(s) which a Noteholder is entitled to receive on the Maturity Date in respect of such Note, following payment of any other sums payable, rounded, as provided in this Base Note Condition 7(b), as determined by the Calculation Agent including any documents evidencing such Asset Amount.

The Asset Transfer Notice shall:

- (A) specify the Series number of the Notes and the aggregate Nominal Amount of the Notes the subject of the Asset Transfer Notice;
- (B) specify the number of the Noteholder’s account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with such Notes;
- (C) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Maturity Date the relevant Noteholder’s account with the relevant aggregate Nominal Amount of Notes;
- (D) include an undertaking to pay all Expenses or other taxes or duties arising from the redemption of such Notes and an authority to Clearstream, Luxembourg or Euroclear, as the case may be, to debit a specified account of the Noteholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Expenses or other taxes or duties;
- (E) include such details as are required for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the Noteholder’s account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Bank, either in respect of any cash amount constituting the Asset Amount or any dividends relating to the Asset Amount or as a result of the occurrence of a Settlement Disruption Event and the Bank electing to pay the Disruption Cash Settlement Price or as a result of the occurrence of a Failure to Deliver and the Bank electing to pay the Failure to Deliver Settlement Price;
- (F) certify, *inter alia*, that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice) or a person who purchased such Note for resale to U.S. persons, that the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (G) authorise the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.

If Base Note Condition 7(c) (*Physical Settlement for Notes cleared through the CMU Service*) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above.

(ii) Verification of the Noteholder

Upon receipt of an Asset Transfer Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Asset Transfer Notice is the holder of the Notes described therein according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Fiscal Agent the Series number and aggregate Nominal Amount of Notes the subject of such notice and the details for the delivery of the Asset Amount in respect of each Note. Upon receipt of such confirmation, the Fiscal Agent will inform the Bank thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Delivery Date debit the account of the relevant Noteholder with the relevant aggregate Nominal Amount of Notes.

(iii) Determinations

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in each case, in consultation with the Fiscal Agent and the Bank, and shall be conclusive and binding on the Bank, the Paying Agents and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Fiscal Agent and the Bank immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, as provided in paragraph (i) above, shall be null and void.

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

The Bank shall use reasonable endeavours promptly to notify the Noteholder submitting an Asset Transfer Notice if it has been determined, as provided above, that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Bank, the Paying Agents, Clearstream, Luxembourg and Euroclear shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Noteholder.

(iv) Delivery of an Asset Transfer Notice

After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

(v) Delivery of the Asset Amount

Subject as provided herein, the Bank shall deliver, or procure the delivery of, the Asset Amount for each duly redeemed Note herein on the Maturity Date (such date, subject to adjustment in accordance with this Base Note Condition, the “**Delivery Date**”) pursuant to the details specified in the applicable Asset Transfer Notice, provided that the Asset Transfer Notice is duly delivered to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Fiscal Agent and the Bank, as provided above on or prior to the Cut-Off Date. Subject as provided in Base Note Condition 7(b)(vi) (*Settlement Disruption*) and Base Note Condition 7(b)(vii) (*Failure to Deliver due to Illiquidity*), the Asset Amount shall be delivered and evidenced in such manner as set out in the applicable Note Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Fiscal Agent and the Bank on or prior to 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 for the relevant Notes) at the risk of such Noteholder in the manner provided herein. 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 Maturity Date and no liability in respect thereof shall attach to the Bank, **provided that, if a Noteholder does not so deliver an Asset Transfer Notice in accordance with Base Note Condition 7(b)(i)(E) at or prior to the relevant Clearing System Cut-off Time, on the date falling 180 days after the Cut-off Date the Bank’s obligations in respect of such Notes shall be discharged and no further liability in respect thereof shall attach to the Bank.**

All 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 Expenses have been paid to the satisfaction of the Bank by the relevant Noteholder.

Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Asset Amounts in respect of such Notes, provided that the aggregate Asset Amounts in respect of the same Noteholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Bank shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof the relevant Noteholder will receive an amount in the Specified Currency equal to the value of any such fractions after such aggregation as calculated by the Calculation Agent from such source(s) as it may select (and converted, if necessary, into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment of any such amount will be made to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Base Note Condition 7(b)(i)(E) or in such manner as shall be notified to the Noteholders in accordance with Base General Condition 15 (*Notices*).

For the purposes of any Note which is a Physical Delivery Security (A) the Bank 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 Relevant Assets comprising the Asset Amount, and (B) the Bank shall not be obliged to account to any Noteholder or any person for any entitlement received or that is receivable in respect of any Relevant Assets comprising the Asset Amount in respect of any Note if the date on which the Relevant Assets are first traded on the relevant Exchange ex such entitlement is on or prior to the Delivery Date.

Following the Delivery Date of an Equity Linked Security which is a Physical Delivery Security, all dividends on the Relevant Assets to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Relevant Assets executed on the relevant Delivery Date and to be delivered in the same manner as such relevant Relevant Assets. Any such dividends to be paid to a Noteholder will be paid to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Base Note Condition 7(b)(i)(E).

After delivery of the Asset Amount and for the Intervening Period, none of the Bank, the Calculation Agent and 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 the Asset Amount, (II) be under any obligation to exercise or procure exercise of any or all rights attaching to the Asset Amount 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 the Asset Amount.

“Intervening Period” means such period of time as any person other than the relevant Noteholder shall continue to be regarded as the legal owner of any securities or other obligations comprising the Asset Amount.

“Relevant Asset” means, in respect of each Note that is a Physical Delivery Security, an underlying asset comprising the Asset Amount, as specified in the applicable Note Final Terms.

(vi) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable Note Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) subsisting on any Delivery Date, then such Delivery Date for such Notes shall be postponed to the first following Settlement Business Day in respect of which no Settlement Disruption Event is subsisting, provided that the Bank may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Note by delivering the Asset Amount using such other manner as it may select in its sole and absolute discretion and, in such event, the Delivery Date shall be such day as the Bank deems appropriate in its sole and absolute discretion in connection with delivery of the Asset Amount in such other manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date.

For so long as delivery of any Relevant Assets comprising the Asset Amount is not practicable by reason of a Settlement Disruption Event, then, in lieu of physical settlement and notwithstanding any other provision hereof, the Bank may elect in its sole and absolute 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 the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Base General Condition 15 (*Notices*). Payment of the Disruption Cash Settlement Price will be made to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Base Note Condition 7(b)(i)(E) or in such manner as shall be notified to the Noteholders in accordance with Base General Condition 15 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base General Condition 15 (*Notices*) that a Settlement Disruption Event has occurred.

No Noteholder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of any Relevant Assets comprising the Asset Amount due to the occurrence of a Settlement Disruption Event and the Bank shall not be in breach of these Base Note Conditions and no liability in respect thereof shall attach to the Bank.

For the purposes hereof:

“**Disruption Cash Settlement Price**” in respect of any relevant Note shall be the fair market value of such Note on a day selected by the Bank in its sole and absolute discretion, provided that such day is not more than 15 days prior to the date that the Calculation Agent gives notice to the Noteholders that a Settlement Disruption Event has occurred as provided above (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Asset Amount and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), and, if Unwind Costs are specified as applicable in the relevant Note Final Terms, adjusted to account fully of Unwind Costs.

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent, an event beyond the control of the Bank as a result of which delivery of the Relevant Asset(s) by or on behalf of the Bank using the method specified in the applicable Note Final Terms is not practicable.

(vii) Failure to Deliver due to Illiquidity

If “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Note Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Asset Amount, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (a) subject as provided elsewhere in these Base Note Conditions, any Relevant Assets which are not Affected Relevant Assets will be delivered on the originally designated Maturity Date in accordance with this Base Note Condition 7 (subject as provided herein); and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Bank may elect in its sole and absolute discretion in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Noteholder the Failure to Deliver Settlement Price no later than the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Base General Condition 15 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made to the account specified by the Noteholder in the relevant Asset Transfer Notice referred to in Base Note Condition 7(b)(i)(E) or in such manner as shall be notified to the Noteholders in accordance with Base General Condition 15 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base General Condition 15 (*Notices*) that the provisions of this Base Note Condition 7(b)(vii) apply. If the Bank does not so elect, the provisions of Base Note Condition 7(b)(vi) (*Settlement Disruption*) shall apply.

For the purposes hereof:

“**Failure to Deliver Settlement Price**” in respect of any relevant Note shall be the fair market value of the Affected Relevant Assets on a day selected by the Bank in its sole and absolute discretion prior to the date on which the Calculation Agent gives notice to the Noteholders as provided above and, if Unwind Costs are specified as applicable in the relevant Note Final Terms adjusted to account fully of Unwind Costs.

(c) Physical Settlement for Notes cleared through the CMU Service

In relation to Notes which are Physical Delivery Securities and are cleared through the CMU Service, the procedures in relation to physical settlement shall be determined in accordance with the provisions set out in the applicable Note Final Terms.

(d) Variation of Settlement

If the applicable Note Final Terms specify that the Bank has an option to vary settlement in respect of the Notes, the Bank may, at its sole and absolute discretion, in respect of each such Note, elect not to pay the relevant Noteholders the Cash Settlement Amount or not to deliver or procure delivery of the Asset Amount to the relevant Noteholders, as the case may be, but in lieu thereof to deliver or procure delivery of the Asset Amount or make payment of the Cash Settlement Amount on the Maturity Date to the relevant Noteholders, as the case may be. Notification of such election will be given to Noteholders no later than the relevant Clearing System Cut-off Time on the second Business Day prior to the Maturity Date in accordance with Base General Condition 15 (*Notices*).

(e) General

The purchase of Notes does not confer on any Noteholder any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Assets.

All references in these Base Note Conditions to Luxembourg or Brussels time shall, where Notes are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

(f) Redemption Risk

Redemption of the Notes is subject to all applicable laws, regulations and practices in force on the relevant Delivery Date and none of the Bank and the Paying Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Bank and the Paying Agents shall under any circumstances be liable for any acts or defaults of any of the Common Depositary, Clearstream, Luxembourg, or Euroclear or the CMU Service in relation to the performance of its duties in relation to the Notes.

The Bank will be discharged by payment or delivery to, or to the order of, the Common Depositary or Clearstream, Luxembourg or Euroclear, as the case may be, in respect of the amount so paid or delivered. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear, as the case may be, as the holder of a particular amount of the Notes must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for his share of each such payment or delivery so made to, or to the order of, Clearstream, Luxembourg or Euroclear, as the case may be.

8 Taxation

All payments of principal and/or interest by or on behalf of the Bank in respect of the Notes, the Receipts and the Coupons shall be made without withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Bank shall pay such additional amounts of principal and interest as will result (after such withholding or deduction) in receipt by the Noteholders, the Receiptholders and the Couponholders of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their

Notes and/or Receipts and/or Coupons, as the case may be, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of any holder who is liable to such tax, duty, assessment or governmental charge in respect of such Note, Receipt or Coupon by reason of such holder having some connection with the United Kingdom other than the mere holding of such Note, Receipt or Coupon; or
- (b) to, or to a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom, unless such holder proves that he is not entitled so to comply or to make such declaration or claim; or
- (c) to, or to a third party on behalf of, a holder that is a partnership, or a holder that is not the sole beneficial owner of the Note, Receipt or Coupon, or which holds the Note, Receipt or Coupon in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (d) 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 amounts on presenting the same for payment at the expiry of such period of 30 days; or
- (e) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (f) presented for payment by or on behalf of a holder who would have been 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.

As used herein:

The “**Relevant Date**” in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such date) the date on which notice is given to the Noteholders that such moneys have been so received.

References in these Base Note Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts, the Failure to Deliver Settlement Price, the Disruption Cash Settlement Price, any Cash Settlement Amount and all other amounts in the nature of principal payable pursuant to Base Note Condition 5 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Base Note Condition 4 (*Interest and other Calculations*) or any amendment or supplement to them and (iii) “**principal**” and/or “**interest**” (other than such interest as is referred to in Base General Condition 13 (*Events of Default and Enforcement*)) shall be deemed to include any additional amounts that may be payable under this Base Note Condition 8.

9 Prescription

Subject as provided below in respect of Swedish Registered Notes, claims for payment of principal (excluding principal comprised in a withheld amount) will become void 12 years, and claims for payment of interest (other than interest comprised in, or accrued on, a withheld amount) will become void six years, after the Relevant Date (as defined in Base Note Condition 8 (*Taxation*) relating thereto. Claims in respect of principal comprised in a withheld amount and claims in respect of interest comprised in, or accrued on, a withheld amount will, in the case of such principal, become void 12 years and will, in the case of such interest, become void six years, after the due date for payment thereof as specified in Base General Condition 13 (*Events of Default and Enforcement*) or, if the full amount of the moneys

payable has not been duly received by the Fiscal Agent, another Paying Agent, the Registrar or a Transfer Agent, as the case may be, on or prior to such date, the date of which notice is given in accordance with Base General Condition 15 (*Notices*) that the relevant part of such moneys has been so received.

In the case of Swedish Registered Notes, claims against the Bank for the payment of principal and interest payable in respect of the Notes shall be prescribed, unless made within 10 years (in case of principal) and five years (in case of interest) of the Relevant Date therefor, and thereafter any principal or interest payable in respect of such Notes shall be forfeited and revert to the Bank.

The prescription period in respect of Talons shall be:

- (a) as to any Talon, the original due date for exchange of which falls within the 12 years immediately prior to the due date for redemption (pursuant to Base Note Condition 5(a) (*Redemption by Instalments and Final Redemption*), 5(c) (*Redemption for Taxation Reasons*), 5(d) (*Redemption for Illegality or Change in Law*), 5(e) (*Redemption at the Option of the Bank*) or 5(f) (*Redemption at the Option of the Noteholders*)) of the Note to which it pertains, six years from the Relevant Date for the redemption of such Note, but so that the Coupon sheet for which it is exchangeable shall be issued without any Coupon itself prescribed in accordance with this Base Note Condition 9 or the Relevant Date for payment of which would fall after the Relevant Date for the redemption of the relevant Note and without a Talon; and
- (b) as to any other Talon, 12 years from the Relevant Date for payment of the last Coupon of the Coupon sheet of which it formed part.

Claims against the Bank for delivery of any Asset Amount(s) shall be prescribed and become void unless made within one year of the date on which the relevant Asset Amount(s) becomes deliverable.

10 Replacement of Notes, Note Certificates, Receipts, Coupons and Talons

- (a) If a Note, Note Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Note Certificates) or such other place of which notice shall be given in accordance with Base General Condition 15 (*Notices*), in each case, on payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Note Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Bank on demand the amount payable by the Bank in respect of such Note, Note Certificate, Receipt, Coupon or further Coupons) and otherwise as the Bank may require. Mutilated or defaced Notes, Note Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued. In addition, the Bank may require the person requesting delivery of a replacement Note, Note Certificate, Receipt, Coupon or Talon to pay, prior to delivery of such replacement Note, Note Certificate, Receipt, Coupon or Talon, any stamp or other tax or governmental charges required to be paid in connection with such replacement. No replacement Note shall be issued having attached thereto any Receipt, Coupon or Talon, claims in respect of which shall have become void pursuant to Base Note Condition 9 (*Prescription*).
- (b) Where:
 - (i) a Talon (the “**relevant Talon**”) has become prescribed in accordance with Base Note Condition 9 (*Prescription*); and
 - (ii) the Note to which the relevant Talon pertains has not become void through prescription; and
 - (iii) no Coupon sheet (or part thereof, being Coupon(s) and/or a Talon, hereinafter called a “**part Coupon sheet**”), which Coupon sheet would have been exchangeable for the relevant Talon or for any subsequent Talon bearing the same serial number pertaining to such Note, has been issued; and

- (iv) either no replacement Coupon sheet or part Coupon sheet has been issued in respect of any Coupon sheet or part Coupon sheet referred to in paragraph (iii) above or, in the reasonable opinion of the Bank, there is no reasonable likelihood that any such replacement has been issued,

then, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity or security as the Bank may reasonably require, there may be obtained at the specified office of the Fiscal Agent (or such other place of which notice shall be given in accordance with Base General Condition 15 (*Notices*)) a Coupon sheet or Coupon sheets or part Coupon sheet(s), as the circumstances may require, issued:

- (A) in the case of a Note that has become due for redemption (x) without any Coupon itself prescribed in accordance with Base Note Condition 9 (*Prescription*) or the Relevant Date for payment of which would fall after the Relevant Date for the redemption of the relevant Note, and (y) without any Talon or Talons, as the case may be; or
- (B) in any other case, without any Coupon or Talon itself prescribed in accordance with Base Note Condition 9 (*Prescription*) and without any Talon pertaining to a Coupon sheet the Relevant Date of the final Coupon of which falls on or prior to the date when the Coupon sheet(s) or part Coupon sheet(s) is (are) delivered to or to the order of the claimant, but in no event shall any Coupon sheet be issued the original due date for exchange of which falls after the date of delivery of such Coupon sheet(s) as aforesaid.

For the avoidance of doubt, the provisions of this Base Note Condition 10(b) shall not give, or revive, any rights in respect of any Talon that has become prescribed in accordance with Base Note Condition 9 (*Prescription*).

The provisions of this Base Note Condition 10 shall not apply to Swedish Registered Notes.

TERMS AND CONDITIONS OF THE C&W SECURITIES

The following are the base conditions that will apply to the C&W Securities (the “**Base C&W Conditions**”), together with the Base General Conditions (set out below), in each case subject to amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms document (the “**C&W Final Terms**”) and any applicable Product Conditions specified to be applicable in such C&W Final Terms. Where certain Product Conditions are specified in the applicable C&W Final Terms for any C&W Securities, these Base C&W Conditions shall be subject to the provisions contained in such Product Conditions and will not apply to the extent they are inconsistent with the provisions of such Product Conditions. In all cases, these Base C&W Conditions and the provisions of such Product Conditions shall be subject to the applicable C&W Final Terms, and will not apply to the extent they are inconsistent with the provisions of such C&W Final Terms. All capitalised terms that are not defined in the Base C&W Conditions will have the meanings given to them in the applicable Product Conditions or applicable C&W Final Terms unless the context indicates otherwise. References in these Base C&W Conditions or any Product Conditions to Securities are to the C&W Securities of one Series only, not to all C&W Securities or to Notes that may be issued under the Programme. The applicable C&W Final Terms for the C&W Securities are attached to the Global Security.

The Product Conditions are set out under the heading “Product Specific Terms and Conditions” as follows:

Terms and Conditions for Index Linked Securities	Chapter 1
Terms and Conditions for Inflation Linked Securities	Chapter 2
Terms and Conditions for Equity Linked Securities	Chapter 3
Terms and Conditions for Currency Linked Securities	Chapter 4
Terms and Conditions for Commodity Linked Securities	Chapter 5
Terms and Conditions for Additional Disruption Events	Chapter 6
Terms and Conditions for Alternative Currency Equivalent	Chapter 7

The C&W Securities (such Securities being hereinafter referred to as the “**C&W Securities**”) are issued by Lloyds TSB Bank plc (the “**Bank**”) acting through its London office pursuant to an Agency Agreement dated 14 June 2011, as amended and restated on 20 April 2012 (the “**Agency Agreement**”) in relation to the C&W Securities, between the Bank, Citibank N.A., London Branch, as principal certificate and warrant agent (the “**Principal Certificate and Warrant Agent**”, which expression shall include any successor principal certificate and warrant agent), the CMU Certificate and Warrant Agent (as defined below, and together with the Principal Certificate and Warrant Agent and any certificate and warrant agent appointed pursuant to the terms of the Agency Agreement, the “**Certificate and Warrant Agents**” and each a “**Certificate and Warrant Agent**”, which expression shall include any successor Certificate and Warrant Agents), and the calculation agent(s) for the time being (if any) (the “**Calculation Agent(s)**”) provided that references in these Base C&W Conditions to Certificate and Warrant Agent shall, in respect of CMU Securities, be construed as references to the CMU Certificate and Warrant Agent) and the other agents named in it. The C&W Securities have the benefit of a deed of covenant dated 20 April 2012 (the “**C&W Deed of Covenant**”) and of the Agency Agreement as amended and/or supplemented by the applicable C&W Final Terms and shall become valid obligations of the Bank when the applicable C&W Final Terms are attached to the relevant global Security (the “**Global Security**”). Each Series of C&W Securities will be represented by a Global Security. Pursuant to the C&W Deed of Covenant, the Bank has covenanted in favour of each C&W Securityholder that each C&W Securityholder is entitled to exercise or enforce, in respect of each C&W Security held by him, the rights and obligations attaching to the relevant C&W Security as set out in, and subject to, the Agency Agreement, the C&W Deed of Covenant, these Base C&W Conditions and the applicable C&W Final Terms.

As used herein, “**Series**” means the C&W Securities of each original issue of such C&W Securities together with the C&W Securities of any further issue(s) expressed to be consolidated and forming a single series with the C&W Securities of an original issue and which are identical in all respects (including as to listing) except for their respective issue dates and/or issue prices.

References herein to the “**applicable C&W Final Terms**” are to Part A of the C&W Final Terms relating to a particular Series of C&W Securities and (where applicable) attached to the Global Security.

The C&W Securityholders (as defined in Base C&W Condition 1(b) (*Title to C&W Securities*)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the C&W Securities) and the C&W Final Terms, which are binding on them.

Definitive C&W Securities will not be issued. Each Global Security (other than CMU Securities or Swedish Registered C&W Securities) will be deposited with a common depository (a “**Common Depository**”) on behalf of Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”). With respect to CMU Securities, the CMU Service will be operated by the Hong Kong Monetary Authority (the “**HKMA**”).

Following their delivery into a clearing system, interests in C&W Securities may be delivered, held and settled in Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) (“**CREST**”) through the issuance of dematerialised depository interests (“**CREST Depository Interests**” or “**CDIs**”) issued, held, settled and transferred through CREST, representing the interests in the relevant C&W Securities underlying the CDIs (the “**Underlying C&W Securities**”). The CDIs will be issued by the CREST Depository Limited (the “**CREST Depository**”) to investors who hold through CREST through the issuance of CDIs (“**CDI Holders**”) and will be issued pursuant to the global deed poll dated 25 June 2001 governed by English law (as subsequently modified, supplemented and/or restated) (the “**CREST Deed Poll**”).

“**CMU Certificate and Warrant Agent**” means any CMU certificate and warrant agent as may be appointed pursuant to a separate agreement with the Bank in respect of a series of CMU C&W Securities from time to time to perform the duties of the CMU Certificate and Warrant Agent described in the Agency Agreement in relation to such Series of CMU C&W Securities. The CMU Certificate and Warrant Agent appointed by the Bank for a particular issue of C&W Securities will be specified in the relevant Final Terms.

Notwithstanding the above, the Bank may issue securities in uncertificated and dematerialised book-entry form (“**Swedish Registered C&W Securities**”). No Global Securities or Definitive Securities representing the C&W Securities will be issued in respect of Swedish Registered C&W Securities and these Base C&W Conditions shall be construed accordingly. Swedish Registered Securities will be transferable only in accordance with the provisions of the Swedish Financial Instruments Accounts Act (1998:1479), other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Sweden.

1 Type, Title and Transfer

(a) *Type*

The C&W Securities are Redeemable Certificates, Exercisable Certificates or Warrants as is specified in the applicable C&W Final Terms. As used herein, the term “**Warrants**” shall include exercisable Certificates (“**Exercisable Certificates**”).

The C&W Securities may not be linked to any reference item but may be, without limitation, interest-bearing securities (“**General C&W Securities**”) or may be linked to a specified index or basket of indices (“**Index Linked C&W Securities**”), a specified inflation index or basket of inflation indices (“**Inflation Linked C&W Securities**”), a specified equity or basket of equities (“**Equity Linked C&W Securities**”), a specified currency or basket of currencies (“**Currency Linked C&W Securities**”), a specified commodity, commodity index or basket of either (“**Commodity Linked C&W Securities**”), any combination of the foregoing or any other or further type of C&W Securities as is specified in the applicable C&W Final Terms. Certain terms which will, unless otherwise varied in the applicable C&W Final Terms, apply to Index Linked C&W Securities, Equity Linked C&W Securities, Currency Linked C&W Securities or Commodity Linked C&W Securities are set out in the relevant Product Conditions.

In the case of Warrants, the applicable C&W Final Terms will indicate whether the C&W Securities are American style Warrants (“**American Style Warrants**”) or European style Warrants (“**European Style Warrants**”) or such other type as may be specified in the applicable C&W Final Terms, whether automatic exercise (“**Automatic**”).

Exercise) applies to the Warrants, whether settlement shall be by way of cash payment (**“Cash Settled C&W Securities”**) and/or physical delivery (**“Physical Delivery C&W Securities”**), whether the Warrants are call Warrants (**“Call Warrants”**) or put Warrants (**“Put Warrants”**), or such other type as may be specified in the applicable C&W Final Terms, whether the Warrants may only be exercised in Units and whether averaging (**“Averaging”**) will apply. If Units are specified in the applicable C&W Final Terms, Warrants must be exercised in Units and any C&W Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

In the case of redeemable Certificates (**“Redeemable Certificates”**), the applicable C&W Final Terms will indicate whether settlement shall be by way of cash payment (**“Cash Settled C&W Securities”**) and/or physical delivery (**“Physical Delivery C&W Securities”**) and whether Averaging will apply.

If Averaging is specified as applying in the applicable C&W Final Terms, the applicable C&W Final Terms will state the relevant Averaging Dates.

References in these Base C&W Conditions, unless the context otherwise requires, to Cash Settled C&W Securities shall be deemed to include references to Physical Delivery C&W Securities which include an option (as set out in the applicable C&W Final Terms) at the Bank’s election to make cash settlement of such C&W Securities pursuant to Base C&W Condition 5(e) (*Variation of Settlement*) or Base C&W Condition 8(e) (*Variation of Settlement*), as the case may be, and where settlement is to be by way of cash payment. References in these Base C&W Conditions, unless the context otherwise requires, to Physical Delivery C&W Securities shall be deemed to include references to Cash Settled C&W Securities which include an option (as set out in the applicable C&W Final Terms) at the Bank’s election to make physical delivery of the relevant underlying asset in settlement of such C&W Securities pursuant to Base C&W Condition 5(e) (*Variation of Settlement*) or Base C&W Condition 8(e) (*Variation of Settlement*), as the case may be, and where settlement is to be by way of physical delivery.

(b) *Title to C&W Securities*

Each person who is for the time being shown in the records of Clearstream, Luxembourg, Euroclear, Euroclear Sweden or the CMU Service as the holder of a particular amount of C&W Securities, Swedish Registered C&W Securities or CMU C&W Securities (as the case may be) (in which regard any certificate or other document issued by Clearstream, Luxembourg, Euroclear, Euroclear Sweden or the CMU Service as to the amount of C&W Securities, Swedish Registered C&W Securities or CMU C&W Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by law) be treated by the Bank, the Certificate and Warrant Agents, Clearstream, Luxembourg, Euroclear, Euroclear Sweden or the CMU Service and all other persons dealing with said person as the holder of such amount of C&W Securities for all purposes (and the expressions **“C&W Securityholders”**, **“C&W Securityholder”**, **“Warrantholder”**, **“Redeemable Certificateholder”** and **“holder of C&W Securities”** and related expressions shall be construed accordingly). C&W Securityholders may also be referred to in these Conditions as **“Securityholders”**.

Interests in C&W Securities held by way of CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the **“CREST Nominee”**) in the Underlying C&W Securities. Pursuant to the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the **“CREST Manual”**) and the CREST Rules (the **“CREST Rules”**) (contained in the CREST Manual), C&W Securities held in global form by the Common Depository may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent C&W Securities, constituted under English law which may be held and transferred through CREST.

Interests in the Underlying C&W Securities will be credited to the CREST Nominee’s account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying C&W Security, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the Underlying C&W Securities on trust for

such CDI Holder. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying C&W Securities and other relevant notices issued by the Bank.

The holder of a Swedish Registered C&W Security will be the person appearing in the relevant register in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Sweden (the “**Euroclear Sweden Rules**”) and the term “Securityholder” shall be construed accordingly. Where a nominee is so evidenced, it shall be treated as the holder of the relevant Swedish Registered C&W Securities.

(c) *Transfers of C&W Securities*

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Base C&W Condition 6 (*Exercise Procedure*). After delivery of an Asset Transfer Notice pursuant to Base C&W Condition 8 (*Redemption and Redemption Procedure for Redeemable Certificates*), the relevant Redeemable Certificates may not be transferred.

Save for transactions where C&W Securities are cleared through CREST, all transactions (including transfers of C&W Securities) in the open market or otherwise must be effected through an account at Clearstream, Luxembourg or Euroclear or, in respect of CMU Securities, the CMU Service or, in respect of Swedish Registered Securities, Euroclear Sweden, subject to and in accordance with the rules and procedures for the time being of Clearstream, Luxembourg, Euroclear, the CMU Service or Euroclear Sweden, as the case may be. Save for Swedish Registered Securities, title will pass upon registration of the transfer in the books of Clearstream, Luxembourg, Euroclear, or the CMU Service as the case may be. Title to Swedish Registered Securities will pass by registration in the register that the Bank will procure to be kept by Euroclear Sweden on behalf of the Bank. Where a nominee is so evidenced, it shall be treated as the holder of the relevant Swedish Registered Securities.

Transfers of interests in Underlying C&W Securities by a CREST participant to a participant of Euroclear, Clearstream, Luxembourg or the CMU Service will be effected by cancellation of the CDIs and transfer of an interest in such C&W Securities underlying the CDIs to the account of the relevant participant with Euroclear, Clearstream, Luxembourg or the CMU Service. Any reference herein to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include the CMU Service and a reference to any additional or alternative clearing system approved by the Bank from time to time and notified to the C&W Securityholders in accordance with Base General Condition 15 (*Notices*).

Transfers of C&W Securities may not be made (directly or indirectly) to a person located in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended).

2 Status of the C&W Securities

The C&W Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the Bank and rank *pari passu* and without any preference among themselves and (save to the extent that laws affecting creditors’ rights generally in a bankruptcy or winding-up may give preference to any of such other obligations) equally with all other present and future unsecured and unsubordinated obligations of the Bank from time to time outstanding.

3 Definitions and Interpretation

For the purposes of these Base C&W Conditions, the following general definitions will apply:

“**Actual Exercise Date**” means the Exercise Date (in the case of European Style Warrants) or, subject to Base C&W Condition 7(a)(ii) (*American Style Warrants*), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants) (as more fully set out in Base C&W Condition 5(a)(i)(*American Style Warrants*)).

“**Affiliate**” means, in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes, “**control**” means ownership of a majority of the voting power of an entity.

“**Asset Amount**” means, in relation to a Physical Delivery C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset(s) which a C&W Securityholder is entitled to receive on the Settlement Date or Redemption Date, as the case may be, in respect of each such C&W Security or Unit, as the case may be, following payment of, in the case of Warrants, the Exercise Price by the Warrantholder and, in any other case, any other sums payable, rounded, as provided in Base C&W Condition 5 (*Exercise Rights*) or Base C&W Condition 8 (*Redemption and Redemption Procedure for Redeemable Certificates*) as the case may be, as determined by the Calculation Agent, including any documents evidencing such Asset Amount.

“**Cash Settlement Amount**” means, in relation to Cash Settled C&W Securities, the amount to which the C&W Securityholder is entitled in the Specified Currency in relation to each such C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the terms of the relevant C&W Securities.

“**Clearing System**” means each clearance system specified as such in the applicable C&W Final Terms and such further or alternative clearance system(s) as may be approved by the Bank from time to time and notified to the C&W Securityholders in accordance with Base General Condition 15 (*Notices*).

“**Clearing System Cut-off Time**” means (a) in the case of Euroclear, 10:00 a.m., Brussels time, (b) in the case of Clearstream, Luxembourg, 10:00 a.m., Luxembourg time or (c) such other time as determined by the Calculation Agent.

“**CMU Securities**” means C&W Securities denominated in any lawful currency which the CMU Service accepts for settlement from time to time that are, or are intended to be, cleared through the CMU Service.

“**CMU Service**” or “**CMU**” means the Central Moneymarkets Unit Service operated by the HKMA.

“**Early Cancellation Amount**” means per C&W Security, unless otherwise specified in the C&W Final Terms, where the C&W Securities are cancelled pursuant to Base C&W Condition 9(a) (*Cancellation or Redemption due to Illegality, Change in Law or Taxation*), Base C&W Condition 9(b) (*Cancellation or Redemption due to Illegality, Change in Law or Taxation*), Product Condition 1.3(ii)(4) (*Modification and Cessation of Calculation of an Index*), Product Condition 2.3(b)(v) (*Cessation of Publication*), Product Condition 3.3(b)(4) (*Potential Adjustment Events, Delisting, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Securities in respect of Underlying Equities and Correction of Underlying Equity Prices*), Product Condition 4.5(d) (*Rebasing of Securities*), Product Condition 5.3(e) (*Adjustments to Commodity Index*) or Product Condition 6.2 (*Occurrence of Additional Disruption Events*), Product Condition 7.1 (*Payment of Alternative Currency Equivalent*), upon it becoming due and repayable as provided in General Condition 13 (*Events of Default and Enforcement*) or otherwise, an amount, in respect of each C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, which amount shall be the fair market value of a C&W Security or Unit, as the case may be, on a day selected by the Bank in its sole and absolute discretion (but which fair market value in the case of an Event of Default, shall be determined immediately prior to the date of early cancellation or redemption), and, if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to take account fully of Unwind Costs.

“**Exercise Price**” means the exercise price specified in the relevant C&W Final Terms.

“**HKMA**” means the Hong Kong Monetary Authority appointed pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66 of the Laws of Hong Kong) or its successors.

“**In-The-Money**” means:

- (a) in the case of a Cash Settled C&W Security which is a Warrant, the Cash Settlement Amount in respect of such Warrant is greater than zero; and
- (b) in the case of a Physical Delivery C&W Security which is a Warrant, the value of the Asset Amount on the Actual Exercise Date for such Warrant is greater than the Exercise Price as determined by the Calculation Agent.

“**Redemption Date**” means, in respect of an issue of Redeemable Certificates, the date specified as such in the applicable C&W Final Terms.

“**Relevant Asset**” means, in respect of Physical Delivery C&W Securities, an underlying asset comprising the Asset Amount, as specified in the applicable C&W Final Terms.

“**Settlement Date**” means:

- (a) in relation to Cash Settled C&W Securities which are Warrants, the date specified as such in the applicable C&W Final Terms, subject to adjustment in accordance with the applicable Product Conditions; and
- (b) in relation to Physical Delivery C&W Securities which are Warrants, the date specified as such in the applicable C&W Final Terms.

“**Unwind Costs**” shall mean in respect of each C&W Security, unless otherwise specified in the applicable C&W Final Terms, an amount, equal to such C&W Security’s *pro rata* portion of the value (determined in the currency in which the C&W Securities are denominated) of any losses, expenses and costs to the Bank, any Hedging Party and/or any of its Affiliates and any loss of tax relief or other tax consequences of unwinding or adjusting any underlying or related swap agreement or other hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Bank, any Hedging Party and/or any of its Affiliates may hold as part of such hedging arrangements) and also taking into account, in the case of Warrants, if already paid by or on behalf of the C&W Securityholder, the Exercise Price, all as calculated by the Calculation Agent in its sole discretion.

The inclusion of specific provisions shall not limit, unless otherwise expressly specified, the applicability or scope of any other provision of the terms and conditions of any C&W Securities.

4 Interest and other Calculations

The C&W Securities may bear interest by reference to one or more fixed rates (“**Fixed Rate C&W Securities**”), by reference to one or more floating rates (“**Floating Rate C&W Securities**”), by reference to an equity or basket of equities (“**Equity Linked Interest C&W Securities**”), by reference to an index or basket of indices (“**Index Linked Interest C&W Securities**”), by reference to an inflation index or basket of inflation indices (“**Inflation Linked Interest C&W Securities**”), by reference to a currency or basket of currencies (“**Currency Linked Interest C&W Securities**”), by reference to a commodity, a commodity index or a basket of either (“**Commodity Linked Interest C&W Securities**”) or by reference to some other formula or method as specified in the C&W Final Terms.

(a) *Interest on Fixed Rate C&W Securities*

Each Fixed Rate C&W Security bears interest from (and including) the Interest Commencement Date to (but excluding) the Redemption Date (in the case of Redeemable Certificates) or the earlier of (i) the Expiration Date and (ii) the Actual Exercise Date (in the case of Warrants), as the case may be, at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest and such interest shall be payable, subject as provided herein, in arrear on each Interest Payment Date up to (and including) the Redemption Date, Expiration Date or Actual Exercise Date, as the case may be. The amount of interest payable shall be determined in accordance with this Base C&W Condition 4.

(b) *Interest on Floating Rate C&W Securities, Index Linked Interest C&W Securities, Inflation Linked Interest C&W Securities, Equity Linked Interest C&W Securities, Currency Linked Interest C&W Securities, Commodity Linked Interest C&W Securities and C&W Securities with other variable-linked interest provisions*

(i) *Interest Payment Dates*

Each Floating Rate C&W Security, Index Linked Interest C&W Security, Equity Linked Interest C&W Security, Currency Linked Interest C&W Security and Commodity Linked Interest C&W Security bears interest from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest (unless an Interest Amount is payable in respect of such C&W Security), such interest being payable in arrear on each Interest Payment Date.

The amount of interest payable shall be determined in accordance with Base C&W Condition 4(e) (*Calculations*). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Rate of Interest for Floating Rate C&W Securities*

The Rate of Interest in respect of Floating Rate C&W Securities for each Interest Accrual Period shall be determined in the manner specified and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate C&W Securities

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest in respect of Floating Rate C&W Securities is to be determined, the Rate of Interest for each Interest Accrual Period in respect of such Floating Rate C&W Securities shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated hereon, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate C&W Securities

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest in respect of Floating Rate C&W Securities is to be determined, the Rate of Interest for each Interest Accrual Period in respect of such Floating Rate C&W Securities will, subject as provided below, be either:

- (I) the offered quotation; or
- (II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate C&W Securities is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such C&W Securities will be determined as provided hereon.

- (y) If the Relevant Screen Page is not available or if paragraph (x)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (x)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR,

the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

- (z) If paragraph (y) above applies, the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency (as defined in Base C&W Condition 4(i) (*Definitions*)) for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London interbank market or, if the Reference Rate is EURIBOR, the Euro-zone interbank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Bank suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London interbank market or, if the Reference Rate is EURIBOR, the Euro-zone interbank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined by the Calculation Agent in its sole and absolute discretion (though substituting, where a different Margin or Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (c) *Rate of Interest or Interest Amount for Index Linked Interest C&W Securities, Inflation Linked Interest C&W Securities, Equity Linked Interest C&W Securities, Commodity Linked Interest C&W Securities, Currency Linked Interest C&W Securities and C&W Securities with other variable-linked interest provisions*

The Rate of Interest or Interest Amount in respect of Index Linked Interest C&W Securities, Inflation Linked Interest C&W Securities, Equity Linked Interest C&W Securities, Commodity Linked Interest C&W Securities, Currency Linked Interest C&W Securities and C&W Securities with other variable-linked interest provisions for each Interest Accrual Period shall be determined in the manner specified hereon on the Interest Determination Date and interest will accrue by reference to the relevant Reference Item(s) or formula as specified hereon.

- (d) *Margin, Maximum Rate of Interest, Minimum Rate of Interest and Rounding*
- (i) If any Margin is specified hereon (either (A) generally or (B) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of paragraph (A), or the Rates of Interest for the specified Interest Accrual Periods, in the case of paragraph (B), calculated in accordance with Base C&W Condition 4(b) (*Interest on Floating Rate C&W Securities, Index Linked Interest C&W Securities, Inflation Linked Interest C&W Securities, Equity Linked Interest C&W Securities, Currency Linked Interest C&W Securities, Commodity Linked Interest C&W Securities and C&W Securities with other variable-linked interest provisions*) by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin subject always to the next paragraph.
- (ii) If any Maximum Rate of Interest and/or Minimum Rate of Interest is specified hereon, then any Rate of Interest shall be subject to such maximum and/or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Base C&W Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes, “**unit**” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(e) *Calculations*

The amount of interest payable in respect of any C&W Security for any Interest Accrual Period shall be equal to the product of the Rate of Interest for such Interest Accrual Period, the Calculation Amount or Nominal Amount specified hereon and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount or Nominal Amount in respect of such C&W Security for such Interest Accrual Period or on the relevant Interest Payment Date shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount or Nominal Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

(f) *Determination and Publication of Rates of Interest and Interest Amounts*

The Calculation Agent shall as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or Interest Payment Date, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and/or the relevant Interest Payment Date to be notified to the Bank, any other Calculation Agent appointed in respect of the C&W Securities that is to make a further calculation upon receipt of such information and, if the C&W Securities are listed on a stock exchange or admitted to listing by another relevant authority and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Base C&W Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the C&W Securityholders by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding on all parties.

If the C&W Securities become due and payable under Base General Condition 13 (*Events of Default and Enforcement*), the accrued interest and the Rate of Interest payable in respect of the C&W Securities shall nevertheless continue to be calculated as previously in accordance with this Base C&W Condition 4 (*Interest and Other Calculations*) but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding on all parties.

(g) *Accrual of Interest*

Each C&W Security will cease to bear interest (if any) from the Redemption Date, in the case of Redeemable Certificates, or the earlier of (i) the Expiration Date and (ii) the Actual Exercise Date, in the case of Warrants, unless

payment in respect of settlement and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such C&W Security have been paid and/or all assets deliverable in respect of such C&W Security have been delivered; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such C&W Security has been received by the Principal Certificate and Warrant Agent and/or all assets in respect of such C&W Security have been received by any agent appointed by the Bank to deliver such assets to C&W Securityholders and notice to that effect has been given to the C&W Securityholders in accordance with Base General Condition 15 (*Notices*).

(h) *Nature of the Return*

Any interest paid to the C&W Securityholder shall constitute consideration paid for the use of the proceeds from acquiring the C&W Securities and for the assumption of the risk that the C&W Securityholder may not recover its original investment or that its return may be variable.

(i) *Definitions*

In these Base C&W Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than Euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;
- (ii) in the case of Euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”);
- (iii) in the case of Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of Renminbi payments; or
- (iv) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in any Business Centre(s) specified hereon.

“**Calculation Amount**” means the amount per C&W Security specified in the applicable C&W Final Terms.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any C&W Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

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

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

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

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless (i) that day is the last day of February but not the Actual Exercise Date or Redemption Date, as the case may be, or (ii) such number would be 31, in which case D₂ will be 30; and

(vii) if “**Actual/Actual ICMA**” is specified hereon:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in such Calculation Period divided by the product of:

- (x) the number of days in such Determination Period; and
- (y) the number of Determination Periods normally ending in any year; or

(B) if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Periods normally ending in any year.

where:

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

“**Determination Period**” means the period from and including a Determination Date (as specified hereon) in any year to but excluding the next Determination Date.

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

“**Euro-zone**” means the region comprising member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period, or in the case of C&W Securities which are represented by a Global Security, the aggregate outstanding Nominal Amount of the C&W Securities represented by such Global Security; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Renminbi, (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, Euro or Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“**Interest Payment Date**” means each date specified as such hereon.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified hereon.

“**ISDA Definitions**” means the 2006 ISDA Definitions, as amended and supplemented and published by the International Swaps and Derivatives Association, Inc. (or as otherwise specified hereon).

“**Nominal Amount**” means the amount so specified in the applicable C&W Final Terms (if any).

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this C&W Security and that is either specified or calculated in accordance with the provisions hereon.

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Calculation Agent or as specified hereon.

“**Reference Rate**” means the rate specified as such hereon.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified hereon, or any successor thereto.

“**Relevant Time**” means, if the Reference Rate is LIBOR, approximately 11:00 a.m. (London time) or, if the Reference Rate is EURIBOR, 11:00 a.m. (Brussels time) or as otherwise specified hereon.

“**Renminbi**” means the lawful currency of the People’s Republic of China.

“**Specified Currency**” means the currency specified hereon or, if none is specified, the currency in which the C&W Securities are denominated.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

5 **Exercise Rights: THIS CONDITION IS APPLICABLE FOR ISSUES OF WARRANTS ONLY**

(a) *Exercise Period and Exercise Date*

(i) American Style Warrants

American Style Warrants are exercisable on any Business Day during the Exercise Period specified in the applicable C&W Final Terms (the “**Exercise Period**”) subject to Base C&W Condition 7 (*Minimum and Maximum Number of Warrants Exercisable*).

If Automatic Exercise is not specified as applying in the applicable C&W Final Terms, any American Style Warrant with respect to which no C&W Exercise Notice (as defined below) has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, at or prior to the relevant Clearing System Cut-off Time on the last Business Day of the Exercise Period (the “**Expiration Date**”), shall become void.

If Automatic Exercise is specified as applying in the applicable C&W Final Terms, any such American Style Warrant with respect to which no C&W Exercise Notice has been delivered in the manner set out in Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, at or prior to the relevant Clearing System Cut-off Time on the Expiration Date and the relevant Warrants are, in the determination of the Calculation Agent, In-The-Money, shall be automatically exercised on the Expiration Date by the Principal Warrant and Certificate Agent on behalf of each Warrantholder and the provisions of Condition 6(f) (*Automatic Exercise*) shall apply.

In relation to American Style Warrants cleared through Clearstream, Luxembourg or Euroclear, the Business Day during the Exercise Period on which an C&W Exercise Notice is delivered prior to the relevant Clearing

System Cut-off Time and the copy thereof so received by the Principal Certificate and Warrant Agent, or, if Automatic Exercise is specified as applying in the applicable C&W Final Terms and no C&W Exercise Notice has been delivered at or prior to the relevant Clearing System Cut-off Time on the Expiration Date and the relevant Warrants are, in the determination of the Calculation Agent, In-The-Money, the Expiration Date is referred to herein as the “**Actual Exercise Date**”. If any such C&W Exercise Notice is received by Clearstream, Luxembourg or Euroclear or if the copy thereof is received by the Principal Certificate and Warrant Agent, in the case of Clearstream, Luxembourg or Euroclear, after the relevant Clearing System Cut-off Time, on any Business Day during the Exercise Period, such C&W Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date, provided that any such C&W Security in respect of which no C&W Exercise Notice has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) at or prior to the relevant Clearing System Cut-off Time on the Expiration Date shall (i), if Automatic Exercise is not specified as applying in the applicable C&W Final Terms, become void or (ii), if Automatic Exercise is specified as applying in the applicable C&W Final Terms and such Warrant is In-The-Money, be automatically exercised by the Principal Warrant and Certificate Agent on behalf of each Warrantholder on the Expiration Date as provided above and in the provisions of Base C&W Condition 6(f) (*Automatic Exercise*).

In relation to American Style Warrants cleared through the CMU Service, the rights in relation to exercising such American Style Warrants shall be determined in accordance with the provisions set out in the applicable C&W Final Terms.

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date specified in the applicable C&W Final Terms (the “**Exercise Date**”) subject to Base C&W Condition 7 (*Minimum and Maximum Number of Warrants Exercisable*).

If Automatic Exercise is not specified as applying in the applicable C&W Final Terms, any European Style Warrant with respect to which no C&W Exercise Notice has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, at or prior to the relevant Clearing System Cut-off Time on the Actual Exercise Date, shall become void.

If Automatic Exercise is specified as applying in the applicable C&W Final Terms, any such European Style Warrant with respect to which no C&W Exercise Notice has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, at or prior to the relevant Clearing System Cut-off Time on the Actual Exercise Date and which is in the determination of the Calculation Agent In-The-Money, shall be automatically exercised on the Actual Exercise Date by the Principal Warrant and Certificate Agent on behalf of each Warrantholder and the provisions of Base C&W Condition 6(f) (*Automatic Exercise*) shall apply.

In relation to European Style Warrants cleared through the CMU Service, the rights in relation to exercising such European Style Warrants shall be determined in accordance with the provisions set out in the applicable C&W Final Terms.

(b) *Cash Settlement for Warrants cleared through Clearstream, Luxembourg or Euroclear*

If the Warrants are Cash Settled C&W Securities, each such Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit entitles its holder, upon due exercise and, except in relation to Warrants where “*Automatic Exercise: No delivery of C&W Exercise Notice*” is specified as applying in the applicable C&W Final Terms, subject to certification as to non-U.S. beneficial ownership, to receive from the Bank on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

- (i) where Averaging is not specified in the applicable C&W Final Terms and the Cash Settled C&W Securities are linked to a single Index, Underlying Equity or Relevant Commodity:
 - (a) if such Warrants are Call Warrants,

Settlement Price less Exercise Price;

(b) if such Warrants are Put Warrants,

Exercise Price less Settlement Price; and

(c) if such Warrants are neither Call Warrants nor Put Warrants, the Cash Settlement Amount will be as specified in the applicable C&W Final Terms; or

(ii) where Averaging is specified in the applicable C&W Final Terms and the Cash Settled C&W Securities are linked to a single Index, Underlying Equity or Relevant Commodity:

(a) if such Warrants are Call Warrants,

the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price;

(b) if such Warrants are Put Warrants,

Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates; and

(c) if such Warrants are neither Call Warrants nor Put Warrants, the Cash Settlement Amount will be as specified in the applicable C&W Final Terms.

(iii) where the Cash Settled C&W Securities are linked to a Basket of Reference Items, the Cash Settlement Amount will be as specified in the relevant C&W Final Terms.

Any amount determined pursuant to the above, if not an amount in the Specified Currency, will be converted into the Specified Currency at the Exchange Rate specified in the applicable C&W Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Specified Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded in accordance with applicable market convention, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or, if Units are specified in the applicable C&W Final Terms, such Units, as the case may be.

Subject as provided herein, except where “*Automatic Exercise*” and “*Automatic Exercise: No delivery of C&W Exercise Notice*” are each specified as applying in the applicable C&W Final Terms, the Bank shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or, if Units are specified in the applicable C&W Final Terms, each duly exercised Unit, as the case may be, to the Warrantholder’s account specified in the relevant C&W Exercise Notice for value on the Settlement Date less any *pro rata* share of Expenses not already paid, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear, or, as the case may be, CREST.

Subject as provided herein, where “*Automatic Exercise*” and “*Automatic Exercise: No delivery of C&W Exercise Notice*” are each specified as applying in the applicable C&W Final Terms, the Bank shall on the Settlement Date pay or cause to be paid the Cash Amount Settlement Amount (if any) for each automatically exercised Warrant or, if Units are specified in the applicable C&W Final Terms, each automatically exercised Unit, as the case may be, to, or to the order of, the Common Depository for the account of the relevant Warrantholders for value on the Settlement Date less any *pro rata* share of Expenses not already paid, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear, or CREST, as the case may be.

(c) *Physical Settlement for Warrants cleared through Clearstream, Luxembourg or Euroclear*

(i) Exercise Rights in relation to Warrants which are Physical Delivery C&W Securities

If the Warrants are Physical Delivery C&W Securities, each such Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Bank on the Settlement Date the Asset Amount subject to payment by the Warrantholder of the relevant Exercise Price (if any) specified in the applicable C&W Final

Terms and any other sums payable. The method of delivery of the Asset Amount and how it will be evidenced are set out in the applicable C&W Final Terms.

Warrants or, if Units are specified in the applicable C&W Final Terms, Units, as the case may be, exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Asset Amounts in respect of such Warrants or Units, as the case may be, provided that the aggregate Asset Amounts in respect of the same Warrantholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be and as specified in the applicable C&W Final Terms, in such manner as the Bank shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof the relevant Warrantholder will receive an amount in the Specified Currency equal to the value of any such fractions after such aggregation as calculated by the Calculation Agent from such source(s) as it may select (and converted, if necessary, into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment of any such amount will be made to the account specified by the Warrantholder in the relevant C&W Exercise Notice as referred to in Base C&W Condition 6(a) (*C&W Exercise Notice for Warrants cleared through Clearstream, Luxembourg or Euroclear*) or in such manner as shall be notified to the Warrantholders in accordance with Base General Condition 15 (*Notices*).

For the purposes of any Warrant which is a Physical Delivery C&W Security (i) the Bank shall be under no obligation to register or procure the registration of any Warrantholder or any other person as the registered shareholder in the register of members of any Relevant Asset, and (ii) the Bank shall not be obliged to account to any Warrantholder or any person for any entitlement received or that is receivable in respect of any Relevant Assets comprising the Asset Amount in respect of any Warrant or Unit if the date on which the Relevant Assets are first traded on the relevant Exchange ex such entitlement is on or prior to the Actual Exercise Date.

Following exercise of an Equity Linked C&W Security which is a Physical Delivery C&W Security, all dividends on the relevant Relevant Asset to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Relevant Asset executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Relevant Asset. Any such dividends to be paid to a Warrantholder will be paid to the account specified by the Warrantholder in the relevant C&W Exercise Notice as referred to in Base C&W Condition 6(a) (*C&W Exercise Notice for Warrants cleared through Clearstream, Luxembourg or Euroclear*).

Subject as provided herein and subject to payment of the aggregate Exercise Prices and payment of any Expenses with regard to the relevant Warrants or, if Units are specified in the applicable C&W Final Terms, relevant Units, as the case may be, the Bank shall on the Settlement Date deliver, or procure the delivery of, the Asset Amount for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the applicable C&W Exercise Notice. Subject as provided in this Base C&W Condition 5(c) and Base C&W Condition 5(d) (*Failure to Deliver due to Illiquidity*), the Asset Amount shall be delivered and evidenced in such manner as set out in the applicable C&W Final Terms.

After delivery of the Asset Amount and for the Intervening Period, none of the Bank, the Calculation Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Warrantholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the Asset Amount, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to the Asset Amount or (iii) be under any liability to a Warrantholder in respect of any loss or damage which such Warrantholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of the Asset Amount.

“**Intervening Period**” means such period of time as any person other than the relevant Warrantholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

(ii) Settlement Disruption

If, following the exercise of Physical Delivery C&W Securities, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable C&W Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) subsisting on any Settlement Date, then such Settlement

Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which no Settlement Disruption Event is subsisting, provided that the Bank may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Warrant or, if Units are specified in the applicable C&W Final Terms, the relevant Unit, as the case may be, by delivering the Asset Amount using such other manner as it may select in its sole and absolute discretion and, in such event, the Settlement Date shall be such day as the Bank deems appropriate in its sole and absolute discretion in connection with delivery of the Asset Amount in such other manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. If a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Asset Amount, the Calculation Agent shall determine the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement.

For so long as delivery of any Relevant Assets comprising the Asset Amount is not practicable by reason of a Settlement Disruption Event, then, in lieu of physical settlement and notwithstanding any other provision hereof, the Bank may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Warrant or, if Units are specified in the applicable C&W Final Terms, the relevant Unit, as the case may be, by payment to the relevant Warrantholder of the Disruption Cash Settlement Price not later than the fifth Business Day following the date that notice of such election is given to the Warranholders in accordance with Base General Condition 15 (*Notices*). Payment of the Disruption Cash Settlement Price will be made to the account specified by the Warrantholder in the relevant C&W Exercise Notice as referred to in Condition 6(a) (*C&W Exercise Notice for Warrants cleared through Clearstream, Luxembourg or Euroclear*) or in such manner as shall be notified to the Warranholders in accordance with Base General Condition 15 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Warranholders in accordance with Base General Condition 15 (*Notices*) that a Settlement Disruption Event has occurred.

No Warrantholder shall be entitled to any payment in respect of the relevant Warrant or, if Units are specified in the applicable C&W Final Terms, the relevant Unit, as the case may be, in the event of any delay in the delivery of any Relevant Assets comprising the Asset Amount due to the occurrence of a Settlement Disruption Event and the Bank shall not be in breach of these Base C&W Conditions and no liability in respect thereof shall attach to the Bank.

For the purposes hereof:

“**Disruption Cash Settlement Price**”, in respect of any relevant Warrant or, if Units are specified in the applicable C&W Final Terms, any relevant Unit, as the case may be, shall be the fair market value of such Warrant or Unit, as the case may be, on a day selected by the Bank in its sole and absolute discretion, provided that such day is not more than 15 days prior to the date that the Calculation Agent gives notice to the Warranholders that a Settlement Disruption Event has occurred as provided above (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Asset Amount and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets and, taking into account in all cases, such amount of the Exercise Price as has been paid), and if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to account fully of Unwind Costs.

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent, an event beyond the control of the Bank as a result of which delivery of the Relevant Asset(s) by or on behalf of the Bank using the method specified in the applicable C&W Final Terms is not practicable.

(d) *Failure to Deliver due to Illiquidity*

If, “Failure to Deliver due to Illiquidity” is specified as applying in the applicable C&W Final Terms and, following the exercise of such Warrants, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Asset Amount, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (a) subject as provided elsewhere in these Base C&W Conditions, any Relevant Assets which are not Affected Relevant Assets will be delivered on the originally designated Settlement Date in accordance with Base C&W Condition 5(c)(i) (*Physical Settlement for Warrants cleared through Clearstream, Luxembourg or Euroclear*) and the Calculation Agent shall determine the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Bank may elect in its sole and absolute discretion in lieu of delivery of the Affected Relevant Assets to pay to the relevant Warrantholder the Failure to Deliver Settlement Price no later than the fifth Business Day following the date that notice of such election is given to the Warrantholders in accordance with Base General Condition 15 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made to the account specified by the Warrantholder in the relevant C&W Exercise Notice referred to in Base C&W Condition 6(a) (*C&W Exercise Notice for Warrants cleared through Clearstream, Luxembourg or Euroclear*) or in such manner as shall be notified to the Warrantholders in accordance with Base General Condition 15 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Base General Condition 15 (*Notices*) that the provisions of this Base C&W Condition 5(d) apply. If the Bank does not so elect, the provisions of Base C&W Condition 5(c)(ii) (*Settlement Disruption*) shall apply.

For the purposes hereof:

“**Failure to Deliver Settlement Price**”, in respect of any relevant Warrant or, if Units are specified in the applicable C&W Final Terms, any relevant Unit, as the case may be, shall be the fair market value of the Affected Relevant Assets on a day selected by the Bank in its sole and absolute discretion prior to the date on which the Calculation Agent gives notice to the Warrantholders as provided above (taking into account the *pro rata* portion of the Exercise Price paid or payable in relation to the Affected Relevant Assets) and if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to account fully of Unwind Costs.

(e) *Variation of Settlement*

If the applicable C&W Final Terms specify that the Bank has an option to vary settlement in respect of the Warrants, following a valid exercise of Warrants in accordance with these Base C&W Conditions, the Bank may, in its sole and absolute discretion in respect of each such Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit, elect not to pay the relevant Warrantholders the Cash Settlement Amount or not to deliver or procure delivery of the Asset Amount to the relevant Warrantholders, as the case may be, but, in lieu thereof, to deliver or procure delivery of the Asset Amount or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders, as the case may be. Notification of any such election will be given to Warrantholders no later than the relevant Clearing System Cut-off Time on the second Business Day prior to the Actual Exercise Date in accordance with Base General Condition 15 (*Notices*).

(f) *General*

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

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

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

6 Exercise Procedure: THIS CONDITION IS APPLICABLE FOR ISSUES OF WARRANTS ONLY*(a) C&W Exercise Notice for Warrants cleared through Clearstream, Luxembourg or Euroclear*

To exercise Warrants, instructions in the form and with the content prescribed by the relevant Clearing System through which the relevant Warrantholder exercises its Warrants (a “**C&W Exercise Notice**”) must be given to that Clearing System or in accordance with the provisions set out in Base C&W Condition 5 (*Exercise Rights*) and this Base C&W Condition 6. In addition, the Warrantholder must undertake to pay all Expenses or other taxes or duties in relation to the Warrants or, if Units are specified in the applicable C&W Final Terms, the Units being exercised and authorise the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and to pay it to the order of the Bank and, in the case of Warrants which are Physical Delivery C&W Securities, the C&W Exercise Notice shall:

- (i) include such details as are required for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered;
- (ii) certify, *inter alia*, that the beneficial owner of each Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, being exercised is not a U.S. person (as defined in the C&W Exercise Notice) or a person who has purchased such Warrant for resale to U.S. persons, that the Warrant or Unit, as the case may be, is not being exercised within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof; and
- (iii) authorise the production of such certification in any applicable administrative or legal proceedings.

(b) C&W Exercise Notice for Warrants cleared through the CMU Service

In relation to Warrants which are cleared through the CMU Service, the procedures in relation to exercising such Warrants shall be determined in accordance with the provisions set out in the applicable C&W Final Terms.

(c) Verification of the Warrantholder for Warrants cleared through Clearstream, Luxembourg or Euroclear

Upon receipt of a C&W Exercise Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person exercising the Warrants is the Warrantholder thereof according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Certificate and Warrant Agent the Series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Asset Amount in respect of each Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Certificate and Warrant Agent will inform the Bank thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Settlement Date debit the account of the relevant Warrantholder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Global Security, the Common Depository will, on the instructions of, and on behalf of, the Principal Certificate and Warrant Agent, note such exercise on the Schedule to such Global Security and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

(d) Determinations for Warrants cleared through Clearstream, Luxembourg or Euroclear

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

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

If Automatic Exercise is not specified as applying in the applicable C&W Final Terms, any Warrant with respect to which the C&W Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Base C&W Condition 5(a)(i) (*American Style Warrants*), in the case of American Style Warrants, or Base C&W Condition 5(a)(ii) (*European Style Warrants*), in the case of European Style Warrants, shall become void.

The Bank or the Principal Certificate and Warrant Agent or, in the case of C&W Securities cleared through CREST, the Bank shall use reasonable endeavours promptly to notify the Warrantholder submitting a C&W Exercise Notice if it has been determined as provided above that such C&W Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Bank, the Certificate and Warrant Agents, Clearstream, Luxembourg and Euroclear shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Warrantholder.

(e) *Delivery of a C&W Exercise Notice*

Delivery of a C&W Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such C&W Exercise Notice, such exercising Warrantholder may not transfer such Warrants. Notwithstanding this, if any C&W Securityholder does so transfer or attempts so to transfer such C&W Securities, the C&W Securityholder will be liable to the Bank for any Expenses suffered or incurred by the Bank or any of its Affiliates through whom it has hedged its position, including those suffered or incurred as a consequence of the Bank or any of its Affiliates through whom it has hedged its position having terminated or commenced any related hedging operations in reliance on the relevant C&W Exercise Notice and subsequently (i) entering into replacement hedging operations in respect of such Securities or (ii) paying any amount on the subsequent exercise of such Securities without having entered into any replacement hedging operations.

(f) *Automatic Exercise*

This paragraph only applies if Automatic Exercise is specified as applying in the applicable C&W Final Terms and the Warrants are automatically exercised as provided in Base C&W Condition 5(a)(i) (*American Style Warrants*) or Base C&W Condition 5(a)(ii) (*European Style Warrants*) (to be so automatically exercised, the Warrants must be, in the determination of the Calculation Agent, In-The-Money).

(i) Automatic Exercise for Warrants cleared through Clearstream, Luxembourg or Euroclear

- (1) If “*Automatic Exercise: Exercise Notice by Cut-off Date*” is specified as applying in the applicable C&W Final Terms, then in order to receive the Cash Settlement Amount, if the Warrants are Cash Settled C&W Securities, or the Asset Amount, if the Warrants are Physical Delivery C&W Securities, in respect of a Warrant, or, if Units are specified in the applicable C&W Final Terms, a Unit, as the case may be, the relevant Warrantholder must deliver or send by authenticated SWIFT message (or such other method acceptable to the relevant Clearing System) (confirmed in writing) a duly completed C&W Exercise Notice to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Certificate and Warrant Agent and the Bank on any Business Day until not later than the relevant Clearing System Cut-off Time, on the day (the “**Cut-off Date**”) falling 180 days after (i) the Expiration Date, in the case of American Style Warrants, or (ii) the Actual Exercise Date, in the case of European Style Warrants. The C&W Exercise Notice shall include the applicable information set out in the C&W Exercise Notice referred to in Base C&W Condition 6(a) (*C&W Exercise Notice for Warrants cleared through Clearstream, Luxembourg or Euroclear*). The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which a C&W Exercise Notice is delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and a copy thereof delivered to the Principal Certificate and Warrant Agent and the Bank is referred to in this Base C&W Condition 6(f) as the “**C&W Exercise Notice Delivery Date**”, provided that, if the C&W

Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Certificate and Warrant Agent and the Bank after the relevant Clearing System Cut-off Time, on any Business Day, such C&W Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the C&W Exercise Notice Delivery Date.

Subject to the relevant Warrantholder performing its obligations in respect of the relevant Warrant or, if Units are specified in the applicable C&W Final Terms, the relevant Unit, as the case may be, in accordance with these Base C&W Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall, subject as provided herein, be (i) in the case of Cash Settled C&W Securities, the fifth Business Day following the C&W Exercise Notice Delivery Date and (ii) in the case of Physical Delivery C&W Securities, the fifth Settlement Business Day following the C&W Exercise Notice Delivery Date.

If a Warrantholder does not so deliver a C&W Exercise Notice in accordance with this Base C&W Condition 6(f) at or prior to the relevant Clearing System Cut-off Time, on the Cut-off Date, the Bank's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Bank.

- (2) If "*Automatic Exercise: No delivery of C&W Exercise Notice*" is specified as applying in the applicable C&W Final Terms, then in order to receive the Cash Settlement Amount, the relevant Warrantholder will not be required to deliver or send a C&W Exercise Notice or any other form of notification and any such Warrant will be settled pursuant to and subject as provided herein.

- (ii) Automatic Exercise for Warrants cleared through the CMU Service

In relation to Warrants cleared through the CMU Service, the procedures in relation to Automatic Exercise shall be determined in accordance with the provisions set out in the applicable C&W Final Terms.

(g) *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Bank and the Certificate and Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Bank and the Certificate and Warrant Agents shall under any circumstances be liable for any acts or defaults of any of the Common Depository, Clearstream, Luxembourg, Euroclear or CREST or the CMU Service in relation to the performance of its duties in relation to the Warrants.

The Bank will be discharged by payment or delivery to, or to the order of, the Common Depository or Clearstream, Luxembourg or Euroclear, as the case may be, in respect of the amount so paid or delivered. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear, as the case may be, as the holder of a particular number of Warrants or, in respect of CDIs, in accordance with the rules and regulations of CREST, must look solely to Clearstream, Luxembourg or Euroclear or the CREST Depository, as the case may be, for his share of each such payment or delivery so made to, or to the order of, Clearstream, Luxembourg or Euroclear or the CREST Depository, as the case may be.

7 Minimum and Maximum Number of Warrants Exercisable: THIS CONDITION IS APPLICABLE FOR ISSUES OF WARRANTS ONLY

(a) *American Style Warrants*

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

- (i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, or, in the case of Automatic Exercise, the number of Warrants held by any Warrantholder on any Actual Exercise Date, in each

case as determined by the Bank, must not be less than the Minimum Exercise Number specified in the applicable C&W Final Terms and, if specified in the applicable C&W Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable C&W Final Terms. Any C&W Exercise Notice which purports to exercise Warrants in breach of this Base C&W Condition shall, unless the Bank otherwise decides, in its sole and absolute discretion, be void and of no effect.

- (ii) If the Bank determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”), the Bank may deem the Actual Exercise Date for the first Quota of such Warrants, selected in the sole and absolute discretion of the Bank, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole and absolute discretion of the Bank.

(b) European Style Warrants

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

The number of Warrants exercisable by any Warrantholder on the Exercise Date as determined by the Bank must not be less than the Minimum Exercise Number specified in the applicable C&W Final Terms and, if specified in the applicable C&W Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable C&W Final Terms. Any C&W Exercise Notice which purports to exercise Warrants in breach of this provision shall, unless the Bank otherwise decides, in its sole and absolute discretion, be void and of no effect.

8 Redemption and Redemption Procedure for Redeemable Certificates: THIS CONDITION IS APPLICABLE FOR ISSUES OF REDEEMABLE CERTIFICATES ONLY

(a) Redemption

Subject as provided in these Base C&W Conditions and as specified in the applicable C&W Final Terms, each Redeemable Certificate or, if Units are specified as applicable in the relevant Final Terms, each Unit, will be redeemed by the Bank:

- (i) in the case of a Cash Settled C&W Security, by payment of the Cash Settlement Amount; or
- (ii) in the case of a Physical Delivery C&W Security, subject as provided herein, by delivery of the Asset Amount,

such redemption to occur in either case, subject as provided below, on the Redemption Date. If (i) the date for payment of any amount in respect of the Redeemable Certificates is not a Business Day, the Redeemable Certificateholder shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Asset Amount in respect of the Redeemable Certificates is not a Settlement Business Day, the Redeemable Certificateholder shall not be entitled to delivery of the Asset Amount until the next following Settlement Business Day.

(b) Redemption at the Option of the Bank

If Call Option is specified as applicable, the Bank may, on giving not less than 5 Business Days Business Days irrevocable notice to the Redeemable Certificateholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some only of the Redeemable Certificates on any Optional Redemption Date. Any such redemption of Redeemable Certificates or, if Units are specified as applicable in the relevant Final Terms, each Unit, shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Redeemable Certificates of a nominal amount at least equal

to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Redeemable Certificates in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Base C&W Condition.

In the case of a partial redemption, the notice to Redeemable Certificateholders shall also contain the number of Redeemable Certificates to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws, stock exchange requirements or the requirements of any other relevant authority.

(c) *Cash Settlement*

Subject as provided herein, if the Redeemable Certificates are Cash Settled C&W Securities, each Redeemable Certificate entitles its holder to receive from the Bank, on the Redemption Date, the Cash Settlement Amount. The Bank shall on the Redemption Date pay or cause to be paid the Cash Settlement Amount for each Redeemable Certificate to, or to the order of, the Common Depository for the account of the relevant Redeemable Certificateholders, for value on the Redemption Date less any Expenses, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear or CREST or the CMU Service, as the case may be.

(d) *Physical Settlement for Redeemable Certificates cleared through Clearstream, Luxembourg or Euroclear*

(1) *Asset Transfer Notices*

In relation to Redeemable Certificates which are Physical Delivery C&W Securities, in order to obtain delivery of the Asset Amount(s) in respect of any Redeemable Certificate, or, if Units are specified as applicable in the relevant Final Terms, each Unit, the relevant Redeemable Certificateholder must deliver, or send sent by authenticated SWIFT message (or such other method acceptable to the relevant Clearing System), to Clearstream, Luxembourg or Euroclear (as applicable) with a copy to the Principal Certificate and Warrant Agent and the Bank, in each case, not later than the relevant Clearing System Cut-off Time on the date (the “**Cut-off Date**”) falling two Business Days prior to the Redemption Date, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in the form set out in the Agency Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Certificate and Warrant Agents during normal office hours) in accordance with the provisions set out in this Base C&W Condition 8.

The Asset Transfer Notice shall:

- (i) specify the Series number of the Redeemable Certificates and the number of Redeemable Certificates the subject of the Asset Transfer Notice;
- (ii) specify the number of the Redeemable Certificateholder’s account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with such Redeemable Certificates;
- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Redemption Date the relevant Redeemable Certificateholder’s account with the relevant Redeemable Certificates;
- (iv) include an undertaking to pay all Expenses or other taxes or duties arising from the redemption of such Redeemable Certificates and an authority to Clearstream, Luxembourg or Euroclear, as the case may be, to debit a specified account of the Redeemable Certificateholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Expenses or other taxes or duties;
- (v) include such details as are required by the applicable C&W Final Terms for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the Redeemable Certificateholder’s account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Bank, either in respect of any cash amount constituting the Asset Amount or any dividends relating to the Asset Amount or as a result of the occurrence of a Settlement Disruption Event and the Bank electing to pay the

Disruption Cash Settlement Price or as a result of the occurrence of a Failure to Deliver and the Bank electing to pay the Failure to Deliver Settlement Price;

- (vi) certify, *inter alia*, that the beneficial owner of each Redeemable Certificate is not a U.S. person (as defined in the Asset Transfer Notice) or a person who purchased such Redeemable Certificate for resale to U.S. persons, that the Redeemable Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.

If Base C&W Condition 8(f) (*Variation of Settlement*) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above.

(2) Verification of the Redeemable Certificateholder

Upon receipt of an Asset Transfer Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Asset Transfer Notice is the holder of the Redeemable Certificates described therein according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Certificate and Warrant Agent the Series number and number of Redeemable Certificates the subject of such notice and the details for the delivery of the Asset Amount in respect of each Redeemable Certificate. Upon receipt of such confirmation, the Principal Certificate and Warrant Agent will inform the Bank thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Delivery Date debit the account of the relevant Redeemable Certificateholder with the relevant Redeemable Certificates.

(3) Determinations

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in each case, in consultation with the Principal Certificate and Warrant Agent and the Bank, and shall be conclusive and binding on the Bank, the Certificate and Warrant Agents and the relevant Redeemable Certificateholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Certificate and Warrant Agent and the Bank immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, as provided in Base C&W Condition 8(d)(1) (*Asset Transfer Notices*), shall be null and void.

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

The Bank shall use reasonable endeavours promptly to notify the Redeemable Certificateholder submitting an Asset Transfer Notice if it has been determined as provided above that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Bank, the Certificate and Warrant Agents, Clearstream, Luxembourg and Euroclear shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Redeemable Certificateholder.

(4) Delivery of an Asset Transfer Notice

After delivery of an Asset Transfer Notice, the relevant Redeemable Certificateholder may not transfer the Redeemable Certificates which are the subject of such notice.

(5) Delivery of the Asset Amount

Subject as provided herein, the Bank shall deliver, or procure the delivery of, the Asset Amount for each duly redeemed Certificate herein on the Redemption Date (such date, subject to adjustment in accordance with this Base

C&W Condition, the “**Delivery Date**”) pursuant to the details specified in the applicable Asset Transfer Notice, provided that the Asset Transfer Notice is duly delivered to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Certificate and Warrant Agent and the Bank, as provided above on or prior to the Cut-Off Date. Subject as provided in Base C&W Condition 8(d)(6) (*Settlement Disruption*) and Base C&W Condition 8(d)(7) (*Failure to Deliver due to Illiquidity*), the Asset Amount shall be delivered and evidenced in such manner as set out in the applicable C&W Final Terms.

If a Redeemable Certificateholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Certificate and Warrant Agent and the Bank, on or prior to the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date for the relevant Redeemable Certificates) at the risk of such Redeemable Certificateholder in the manner provided herein. For the avoidance of doubt, in such circumstances such Redeemable Certificateholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Redemption Date and no liability in respect thereof shall attach to the Bank, **PROVIDED THAT, if a Redeemable Certificateholder does not so deliver an Asset Transfer Notice in accordance with this Base C&W Condition 8(d) at or prior to the relevant Clearing System Cut-off Time, on the date falling 180 days after the Cut-off Date, the Bank’s obligations in respect of such Redeemable Certificates shall be discharged and no further liability in respect thereof shall attach to the Bank.**

All Expenses arising from the delivery of the Asset Amount in respect of such Redeemable Certificates shall be for the account of the relevant Redeemable Certificateholder and no delivery of the Asset Amount shall be made until all Expenses have been paid to the satisfaction of the Bank by the relevant Redeemable Certificateholder.

Redeemable Certificates held by the same Redeemable Certificateholder will be aggregated for the purpose of determining the aggregate Asset Amounts in respect of such Redeemable Certificates or Units, as the case may be, provided that the aggregate Asset Amounts in respect of the same Redeemable Certificateholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Bank shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof the relevant Redeemable Certificateholder will receive an amount in the Specified Currency equal to the value of any such fractions after such aggregation as calculated by the Calculation Agent from such source(s) as it may select (and converted, if necessary, into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment of any such amount will be made to the account specified by the Redeemable Certificateholder in the relevant Asset Transfer Notice as referred to in Base C&W Condition 8(d)(1)(v) (*Asset Transfer Notices*) or in such manner as shall be notified to the Redeemable Certificateholders in accordance with Base General Condition 15 (*Notices*).

For the purposes of any Redeemable Certificate which is a Physical Delivery C&W Security (i) the Bank shall be under no obligation to register or procure the registration of any Redeemable Certificateholder or any other person as the registered shareholder in the register of members of any Underlying Equities, and (ii) the Bank shall not be obliged to account to any Redeemable Certificateholder or any person for any entitlement received or that is receivable in respect of any Underlying Equities comprising the entitlement in respect of any Redeemable Certificate or, if Units are specified in the applicable C&W Final Terms, any Unit if the date on which the Underlying Equities are first traded on the relevant Exchange ex such entitlement is on or prior to the Delivery Date.

Following the Delivery Date of an Equity Linked C&W Security which is a Physical Delivery C&W Security, all dividends on the relevant Underlying Equities to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Underlying Equities executed on the relevant Delivery Date and to be delivered in the same manner as such relevant Underlying Equities. Any such dividends to be paid to a Redeemable Certificateholder will be paid to the account specified by the Redeemable Certificateholder in the relevant Asset Transfer Notice as referred to in Base C&W Condition 8(d)(1)(v) (*Asset Transfer Notices*).

After delivery of the Asset Amount and for the Intervening Period, none of the Bank, the Calculation Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Redeemable Certificateholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment

whatsoever received by that person in respect of the Asset Amount, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to the Asset Amount or (iii) be under any liability to a Redeemable Certificateholder in respect of any loss or damage which such Redeemable Certificateholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of the Asset Amount.

“**Intervening Period**” means such period of time as any person other than the relevant Redeemable Certificateholder shall continue to be regarded as the legal owner of any securities or other obligations comprising the Asset Amount.

(6) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable C&W Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) subsisting on any Delivery Date, then such Delivery Date for such Redeemable Certificates shall be postponed to the first following Settlement Business Day in respect of which no Settlement Disruption Event is subsisting, provided that the Bank may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Redeemable Certificate or Unit, as the case may be, by delivering the Asset Amount using such other commercially reasonable manner as it may select and, in such event, the Delivery Date shall be such day as the Bank deems appropriate in connection with delivery of the Asset Amount in its sole and absolute discretion. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date.

For so long as delivery of any Relevant Assets comprising the Asset Amount is not practicable by reason of a Settlement Disruption Event, then, in lieu of physical settlement and notwithstanding any other provision hereof, the Bank may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Redeemable Certificate by payment to the relevant Redeemable Certificateholder of the Disruption Cash Settlement Price not later than the fifth Business Day following the date that notice of such election is given to the Redeemable Certificateholders in accordance with Base General Condition 15 (*Notices*). Payment of the Disruption Cash Settlement Price will be made to the account specified by the Redeemable Certificateholder in the relevant Asset Transfer Notice as referred to in Base C&W Condition 8(d)(1)(v) (*Asset Transfer Notices*) or in such manner as shall be notified to the Redeemable Certificateholders in accordance with Base General Condition 15 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Redeemable Certificateholders in accordance with Base General Condition 15 (*Notices*) that a Settlement Disruption Event has occurred.

No Redeemable Certificateholder shall be entitled to any payment in respect of the relevant Redeemable Certificate or Unit, as the case may be, in the event of any delay in the delivery of any Relevant Assets comprising the Asset Amount due to the occurrence of a Settlement Disruption Event and the Bank shall not be in breach of these Base C&W Conditions and no liability in respect thereof shall attach to the Bank.

For the purposes hereof:

“**Disruption Cash Settlement Price**”, in respect of any relevant Redeemable Certificate or Unit, as the case may be, shall be the fair market value of such Redeemable Certificate on a day selected by the Bank in its sole and absolute discretion, provided that such day is not more than 15 days prior to the date that the Calculation Agent gives notice to the Redeemable Certificateholders that a Settlement Disruption Event has occurred as provided above (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Asset Amount and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), and if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to account fully of Unwind Costs.

“**Settlement Disruption Event**” means, in the opinion of the Calculation Agent, an event beyond the control of the Bank as a result of which delivery of the Relevant Asset(s) by or on behalf of the Bank using the method specified in the applicable C&W Final Terms is not practicable.

(7) Failure to Deliver due to Illiquidity

If “Failure to Deliver due to Illiquidity” is specified as applying in the applicable C&W Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Asset Amount, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (i) subject as provided elsewhere in these Base C&W Conditions, any Relevant Assets which are not Affected Relevant Assets will be delivered on the originally designated Redemption Date in accordance with this Base C&W Condition 8 (subject as provided herein); and
- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Bank may elect, in its sole and absolute discretion in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Redeemable Certificateholder the Failure to Deliver Settlement Price no later than the fifth Business Day following the date that notice of such election is given to the Redeemable Certificateholders in accordance with Base General Condition 15 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made to the account specified by the Redeemable Certificateholder in the relevant Asset Transfer Notice referred to in Base C&W Condition 8(d)(1)(v) (*Asset Transfer Notices*) or in such manner as shall be notified to the Redeemable Certificateholders in accordance with Base General Condition 15 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Redeemable Certificateholders in accordance with Base General Condition 15 (*Notices*) that the provisions of this Base C&W Condition 8(d)(7) apply. If the Bank does not so elect, the provisions of Base C&W Condition 8(d)(6) (*Settlement Disruption*) shall apply.

For the purposes hereof:

“**Failure to Deliver Settlement Price**”, in respect of any relevant Redeemable Certificate or Unit, as the case may be, shall be the fair market value of the Affected Relevant Assets on a day selected by the Bank in its sole and absolute discretion prior to the date on which the Calculation Agent gives notice to the Redeemable Certificateholders as provided above (taking into account the *pro rata* portion of the Exercise Price paid or payable in relation to the Affected Relevant Assets), and if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to account fully of Unwind Costs.

(e) *Physical Settlement for Redeemable Certificates cleared through the CMU Service*

In relation to Redeemable Certificates which are Physical Delivery C&W Securities and are cleared through the CMU Service, the procedures in relation to physical settlement shall be determined in accordance with the provisions set out in the applicable C&W Final Terms.

(f) *Variation of Settlement*

If the applicable C&W Final Terms specify that the Bank has an option to vary settlement in respect of the Certificates, the Bank may, at its sole and absolute discretion in respect of each such Certificate or Unit, as the case may be, elect not to pay the relevant Redeemable Certificateholders the Cash Settlement Amount or not to deliver or procure delivery of the Asset Amount to the relevant Redeemable Certificateholders, as the case may be, but, in lieu thereof, to deliver or procure delivery of the Asset Amount or make payment of the Cash Settlement Amount on the Redemption Date to the relevant Redeemable Certificateholders, as the case may be. Notification of such election will be given to Redeemable Certificateholders no later than the Relevant Clearing System Cut-off Time on the second Business Day prior to the Redemption Date in accordance with Base General Condition 15 (*Notices*).

(g) *General*

The purchase of Redeemable Certificates does not confer on any Redeemable Certificateholder any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Assets.

All references in this Base C&W Condition to Luxembourg or Brussels time shall, where Redeemable Certificates are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

(h) Redemption Risk

Redemption of the Redeemable Certificates is subject to all applicable laws, regulations and practices in force on the relevant Delivery Date and none of the Bank and the Certificate and Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Bank and the Certificate and Warrant Agents shall under any circumstances be liable for any acts or defaults of any of the Common Depositary, Clearstream, Luxembourg, or Euroclear or the CMU Service in relation to the performance of its duties in relation to the Redeemable Certificates.

The Bank will be discharged by payment or delivery to, or to the order of, the Common Depositary or Clearstream, Luxembourg or Euroclear, as the case may be, in respect of the amount so paid or delivered. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear, as the case may be, as the holder of a particular amount of the Redeemable Certificates must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for his share of each such payment or delivery so made to, or to the order of, Clearstream, Luxembourg or Euroclear, as the case may be.

9 Cancellation or Redemption due to Illegality, Change in Law or Taxation

(a) Illegality

If, at any time, the Bank determines in good faith that either it has become or will become unlawful, illegal or otherwise prohibited in whole or in part or the Bank will incur a materially increased cost in (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Bank and/or any of its Affiliates) in performing its obligations under the C&W Securities or in holding, acquiring or disposing of any arrangement made to hedge its positions under the C&W Securities, whether under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or in the interpretation thereof (an “**Illegality**”), then the Bank may cancel or redeem the C&W Securities by giving notice to the C&W Securityholders in accordance with Base General Condition 15 (*Notices*).

If the Bank cancels or redeems the C&W Securities, then the Bank will, if and to the extent permitted by applicable law, pay the Early Cancellation Amount to each C&W Securityholder in respect of each C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, held by such holder. Payment will be made in such manner as shall be notified to the C&W Securityholders in accordance with Base General Condition 15 (*Notices*).

(b) Taxation

If the Bank determines in good faith that either the performance of its obligations under the C&W Securities or that any arrangements made to hedge its position under the C&W Securities: (i) has resulted in, or (ii) will result in (following a change in or a change in the application or scope of 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 interruption thereof or following a decision of any court or tribunal), the Bank and/or any of its Affiliates not being entitled to tax relief in respect of any losses, costs or expenses incurred in relation to the C&W Securities or such hedging arrangements or any other adverse tax consequences, the Bank may, having given not more than 30 nor less than three days’ notice to C&W Securityholders in accordance with Base General Condition 15 (*Notices*), cancel the C&W Securities.

If the Bank cancels the C&W Securities pursuant to this Base C&W Condition 9(b), then, on a date selected by the Bank, the Bank will pay the Early Cancellation Amount to each C&W Securityholder in respect of each C&W

Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, held by such C&W Securityholder. Payment will be made in such manner as shall be notified to the C&W Securityholders in accordance with Base General Condition 15 (*Notices*).

10 Payments in respect of Swedish Registered C&W Securities

Any amounts payable in respect of the Swedish Registered C&W Securities shall be made to the Securityholders registered as such on (a), in the case of Swedish Registered C&W Securities settled on the basis of a Nominal Amount per Security, the fifth business day or (b), in the case of Swedish Registered C&W Securities settled on the basis of the number of Securities, on the fourth business day before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the rules of Euroclear Sweden (and in each case as business day is defined by the then applicable rules of Euroclear Sweden). Such day shall be the record date in respect of the Swedish Securities in accordance with the rules of Euroclear Sweden. Payments in respect of Swedish Registered Securities will be made to the persons registered as Securityholders in the register maintained by Euroclear Sweden. If the date for payment of any amount in respect of Swedish Registered Securities is not a Stockholm Banking Day, the holder thereof shall not be entitled to payment until the next following Stockholm Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Stockholm Banking Day**” means any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Stockholm.

At any time before the Issue Date, the Bank may decide to (i) cancel the issue or postpone the Issue Date and other dates if any event or circumstance occurs which, in the Bank’s opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the relevant Final Terms or if the Bank determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an event or circumstance mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Euroclear Sweden, STIBOR increased by one percentage point. Interest will not be capitalised.

Where the Bank or any Agent or the Swedish Issue, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable C&W Final Terms, or from the provisions of the Swedish Financial Instruments Accounts Act (SFS 1998:1479).

“**STIBOR**” means the average of the interest rates quoted at approximately 11:00 a.m. on the first Banking Day after the relevant payment date in each seven-day period or part thereof on Reuters page “**SIDE**” (or through any other system or on any other page as shall replace the system or page stated) for one-week-funds or, if no such quotation is given, the interest rate which is stated by three first ranking Swedish banks selected by the Bank to be their funding cost at that time for one-week-funds in Swedish Kronor in the Stockholm interbank market; if the interest rate for a certain period cannot be determined as stated as a result of any disruption, then the interest rate for such period shall correspond to the average of the latest interest rate determined under the alternatives above before such disruption occurred and the first interest rate determined after the disruption has ceased.

A Swedish Issue will be appointed by the Bank and identified in the applicable C&W Final Terms.

11 Certificate and Warrant Agents

The specified offices of the Certificate and Warrant Agents are as set out at the first page of these Base C&W Conditions.

The Bank reserves the right at any time to vary or terminate the appointment of any Certificate and Warrant Agent and to appoint further or additional Certificate and Warrant Agents, provided that no termination of appointment of the Principal Certificate and Warrant Agent shall become effective until a replacement Principal Certificate and Warrant Agent shall have been appointed and provided that, so long as any of the C&W Securities are listed on a stock exchange, there shall be a Certificate and Warrant Agent having a specified office in each location required by the rules and regulations of the relevant listing authority or stock exchange. Notice of any termination of appointment and of any changes in the specified office of any Certificate and Warrant Agent will promptly be given to the C&W Securityholders in accordance with Base General Condition 15 (*Notices*). In acting under the Agency Agreement, each Certificate and Warrant Agent acts solely as agent of the Bank and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the C&W Securityholders and any determinations and calculations made in respect of the C&W Securities by any Certificate and Warrant Agent shall (save in the case of manifest error) be final, conclusive and binding on the Bank and the C&W Securityholders.

PRODUCT SPECIFIC TERMS AND CONDITIONS

The following are the terms and conditions (the “**Product Conditions**”) that apply to Securities as may be specified in the relevant Final Terms.

The Product Conditions are set out as follows:

Terms and Conditions for Index Linked Securities	Chapter 1
Terms and Conditions for Inflation Linked Securities	Chapter 2
Terms and Conditions for Equity Linked Securities	Chapter 3
Terms and Conditions for Currency Linked Securities	Chapter 4
Terms and Conditions for Commodity Linked Securities	Chapter 5
Terms and Conditions for Additional Disruption Events	Chapter 6
Terms and Conditions for Alternative Currency Equivalent	Chapter 7

CHAPTER 1: TERMS AND CONDITIONS FOR INDEX LINKED SECURITIES

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Index Linked Product Conditions are “Applicable” (the “**Index Linked Product Conditions**”). These Index Linked Product Conditions are subject to amendment, supplement or variance in accordance with the relevant Final Terms. In the case of any inconsistency between these Index Linked Product Conditions, the Base Note Conditions, the Base C&W Conditions and/or the Base General Conditions, these Index Linked Product Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Index Linked Product Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Index Linked Product Conditions or elsewhere in the Conditions applicable to the Index Linked Securities will have the meanings given to them in the relevant Final Terms. References in these Index Linked Product Conditions to “Index Linked Securities” are to the Index Linked Notes or Index Linked C&W Securities, as the case may be, of one Series only, not to all Index Linked Securities that may be issued under the Programme.

Unless otherwise specified, references in these Index Linked Product Conditions to a Product Condition are to a section or clause of these Index Linked Product Conditions.

1 Index Linked Securities

Unless previously redeemed or purchased and/or cancelled, as the case may be, each Index Linked Security, or if Units are specified as applicable, each Unit, will accrue interest and/or be settled on the Maturity Date (in the case of the Notes), the Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) in the manner specified hereon.

1.1 Settlement of Index Linked Redemption Securities

If Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, is specified hereon as being applicable, where the Cash Settlement Amount is determined in respect of a Valuation Date or Averaging Date(s), and where the Valuation Date or the Averaging Date, as the case may be, falling immediately prior to the Maturity Date (in the case of the Notes), the Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) (any such date, the “**Final Payment Date**”), as the case may be, is postponed as a result of the occurrence of a Disrupted Day, the relevant Final Payment Date, shall be the later of (i) the date specified hereon as the Final Payment Date (the “**Scheduled Final Payment Date**”) and (ii) the day falling the number of Extension Business Days after the postponed Valuation Date or the postponed Averaging Date, as the case may be. If any amount is payable on the exercise or redemption of an Index Linked Security or Unit to which Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, applies, and the relevant Final Payment Date is postponed pursuant to a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, such amount will be due on the relevant date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

1.2 Index Linked Interest Securities

Interest shall be payable on each Index Linked Interest Security or, if Units are specified in the relevant Final Terms, each Unit, in accordance with the provisions of this Product Condition 1, Base Note Condition 4 (*Interest and Other Calculations*) (in the case of the Notes) and Base C&W Condition 4 (*Interest*) (in the case of the C&W Securities).

If Payment Date Extension is specified hereon as being applicable, where the Interest Amount(s) are determined in respect of a Valuation Date or Averaging Date, and such Valuation Date or Averaging Date, as the case may be, is postponed as a result of the occurrence of a Disrupted Day, the Interest Payment Date relating to such postponed Valuation Date or postponed Averaging Date shall be the later of (i) the Interest Payment Date specified hereon (the “**Scheduled Payment Date**”) and (ii) the day falling the number of Extension Business Days after such postponed Valuation Date or postponed Averaging Date, as the case may be. If any amount is payable on an Interest Payment Date

in respect of an Index Linked Interest Security or, if Units are specified in the relevant Final Terms, each Unit, to which Payment Date Extension applies, and such Interest Payment Date is postponed pursuant to a Payment Date Extension, such amount will be due on the Interest Payment Date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

1.3 Adjustments to an Index

(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 (a “**Successor Index Sponsor**”) acceptable to the Calculation Agent or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index (the “**Successor Index**”) will be deemed to be the Index.

(ii) Modification and Cessation of Calculation of an Index

If (A) on or prior to the Valuation Date or an Averaging Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”) or (B) on the Valuation Date or an Averaging Date the Index Sponsor or (if relevant) the Successor Index Sponsor fails to calculate and announce a relevant Index, provided that, in respect of an Index which is specified in the relevant Final Terms as being a Multi-Exchange Index, the Calculation Agent may, in its sole and absolute discretion, determine that such event instead results in the occurrence of a Disrupted Day (an “**Index Disruption**”) and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then the Bank may take the action described in (1), (2), (3) or (4) below:

- (1) require the Calculation Agent to determine if such Index Adjustment Event has a material effect on the Index Linked Securities and, if so, to calculate the Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event;
- (2) substitute such Index with a different index and, following such substitution, the Calculation Agent shall make such adjustment (if any) as it considers appropriate to the Settlement Price, the Exercise Price and/or any of the other terms hereof;
- (3) where the Index Linked Securities or, if Units are specified in the relevant Final Terms, the Units, as applicable, are specified hereon as relating to a Basket of Indices, remove such Index from the basket of Indices and, following such removal, the Calculation Agent shall make such adjustment (if any) as it considers appropriate to the Settlement Price; or
- (4) give notice to the Securityholders in accordance with Base General Condition 15 (*Notices*) and redeem all, but not some only, of the Index Linked Securities on a date selected by the Bank, by payment of the Early Redemption Amount (in the case of the Notes) or the Early Cancellation Amount (in the case of the C&W Securities) to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Base General Condition 15 (*Notices*).

(iii) Notice

Upon the occurrence of an Index Adjustment Event, the Bank shall give notice as soon as practicable to Securityholders in accordance with Base General Condition 15 (*Notices*) giving details of the action proposed to be taken in relation thereto.

(iv) Correction of an Index

If Correction of an Index is specified hereon as applying and the level of an Index published on the Valuation Date or an Averaging Date is subsequently corrected and the correction (the “**Corrected Index Level**”) is published by the Index Sponsor or (if relevant) the Successor Index Sponsor prior to the relevant Correction Cut-Off Date specified hereon, then the Calculation Agent in its sole and absolute discretion shall determine what, if any, adjustment to make to the level for such Index for the Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such amended level for such Index to determine the relevant Interest Amount, Exercise Price, Cash Settlement Amount or Settlement Price, as the case may be.

For the avoidance of doubt, any Corrected Index Level published on or after the relevant Correction Cut-Off Date shall be disregarded.

1.4 Definitions relevant to Index Linked Securities

“**Averaging Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

“**Averaging Date**” means each date specified as an Averaging Date in the relevant Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day, then:

- (i) if “**Omission**” is specified hereon as applying, such date will be deemed not to be an Averaging Date for purposes of determining the Interest Amount, Exercise Price, Settlement Price, Cash Settlement Amount or Asset Amount, as the case may be, provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day;
- (ii) if “**Postponement**” is specified hereon as applying, the provisions of the definition of “Valuation Date” will apply for purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if “**Modified Postponement**” is specified hereon as applying:
 - (A) where the Index Linked Securities relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred by the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (i)(B) of the definition of “Valuation Date” below;

- (B) where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall not be applicable, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the “**Scheduled Averaging Date**”) and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time by the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Index, and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (ii)(B) of the definition of “Valuation Date” below; or
- (C) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the “**Scheduled Averaging Date**”), and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day for the Index, then (i) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Index, and (ii) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (iii)(B) of the definition of “Valuation Date” below

“**Basket**” means a basket comprising the Basket Components specified in the relevant Final Terms in the Weights specified for each Basket Component in the relevant Final Terms.

“**Basket Component**” means, in respect of a Basket, each Index comprising such Basket.

“**Index Basket Level**” means, in respect of any date of determination, where Basket of Indices is specified in the relevant Final Terms, unless otherwise specified hereon, the sum of the weighted Settlement Prices of each Basket Component on such date, where the weighted Settlement Price of a Basket Component is determined by multiplying the Settlement Price of such Basket Component by its Weight.

“**Common Scheduled Trading Day**” means, in respect of a Basket of Indices, each day which is a Scheduled Trading Day for all the Indices in the Basket of Indices.

“**Disrupted Day**” means (i) where the relevant Index is specified hereon as not 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 relevant Index is specified hereon as being a Multi-Exchange Index, any Scheduled Trading Day on which (A) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its sole and absolute discretion, determine that such event instead results in the occurrence of an Index Disruption), (B) any Related Exchange fails to open for trading during its regular trading session or (C) a Market Disruption Event has occurred.

“**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**” means:

- (i) where the relevant Index is not specified hereon as being a Multi-Exchange Index, each exchange or quotation system specified hereon as such for such Index, 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); and
- (ii) where the relevant Index is specified hereon 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 either (i) where the relevant Index is not specified hereon 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 Exchange or Related Exchange closing prior to its Scheduled Closing Time or (ii) where the relevant Index is specified hereon as being a Multi-Exchange Index, any Scheduled Trading Day on which (A) the Index Sponsor publishes the level of the Index and (B) each Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

“**Exchange Disruption**” means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general 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.

“**Extension Business Days**” means, if Payment Date Extension, Maturity Date Extension, Settlement Date Extension or Redemption Date Extension is specified hereon as applicable, the number of Business Days specified hereon, or, if none, (i) in respect of a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, the number of Business Days that the relevant Scheduled Final Payment Date falls after the Scheduled Valuation Date or the original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Averaging Date (the “**Affected Averaging Date**”), as the case may be, falling immediately prior to the relevant Scheduled Final Payment Date and (ii) in respect of a Payment Date Extension, the number of Business Days that the Scheduled Payment Date falls after the Scheduled Valuation Date or the Affected Averaging Date, as the case may be, falling immediately prior to the Scheduled Payment Date.

“**Indices**” and “**Index**” mean, subject to adjustment in accordance with Condition 1.3, the indices or index specified hereon and related expressions shall be construed accordingly.

“**Index Sponsor**” means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) 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 hereon.

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

- (i) where such Index is specified hereon as not being a Multi-Exchange Index:
 - (A) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (x) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (1) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or

- (2) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
- (y) of any event (other than an event described in (B) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (1) to effect transactions in, or obtain market values for, on any relevant Exchange(s), securities that comprise 20 per cent. or more of the level of the relevant Index, or (2) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
- (B) 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 (x) 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, (y) 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,
 - which in any such case the Calculation Agent determines is material; or
- (ii) where such Index is specified hereon as being a Multi-Exchange Index, in respect of a Component Security included in such 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
 either:
 - (1) where it is not specified hereon that the Threshold Percentage applies, 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
 - (2) where it is specified hereon that the Threshold Percentage applies, the sum of (a) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists and (b) the Threshold Percentage 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:
 - (x) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange;
 - (y) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange; or

(z) an Early Closure,

in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

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

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or the Valuation Date. Without limiting the obligation of the Calculation Agent to give notice to the Securityholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Securityholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

“**Multi-Exchange Index**” means an Index identified or specified as such hereon.

“**Related Exchange**” means, in relation to an Index, each exchange or quotation system specified hereon as such for such Index, 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 hereon as the Related Exchange, “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 option 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 Trading Day**” means (i) where the relevant Index is specified hereon as not 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 relevant Index is specified hereon as being a Multi-Exchange Index, any day on which (A) the Index Sponsor is scheduled to publish the level of that Index, (B) each Related Exchange is scheduled to be open for trading for its regular trading session and (C) where it is specified hereon that the Threshold Percentage applies in relation to such Index, the Threshold Percentage is equal to or less than 20 per cent.

“**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.

“**Settlement Price**” means in respect of an Index, an amount equal to the official closing level of the Index as determined by the Calculation Agent (or, if a Valuation Time other than the Scheduled Closing Time is specified hereon, the level of the Index determined by the Calculation Agent at such Valuation Time) on (A) if a Valuation Date is specified hereon, the Valuation Date (as defined below) or (B) if Averaging Dates are specified hereon, an Averaging Date and, in any case, if specified hereon, without regard to any subsequently published correction.

“**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.

“**Threshold Percentage**” means, in relation to an Index and on any day, the percentage of the Component Securities that comprise the level of such Index that are scheduled to be unavailable for trading on the relevant Exchange(s) by virtue of such day not being a day upon which any such relevant Exchange is scheduled to be open for trading for its regular trading sessions.

For the purposes of determining the Threshold Percentage, the relevant percentage contribution of each Component Security unavailable for trading shall be based on a comparison of (i) the portion of the level of that Index to that Component Security relative to (ii) the overall level of that Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market “opening data”.

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

“**Valuation Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date or, if earlier, the Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

“**Valuation Date**” means each Valuation Date specified in the relevant Final Terms, or if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day (or, where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the immediately following Common Scheduled Trading Day) or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then:

- (i) where the Index Linked Securities 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 Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Index, (A) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (B) the Calculation Agent shall determine the relevant level or price in the manner set out in the relevant Final Terms or, if not set out or if not practicable, determine the relevant level or price by determining the level of the Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Product Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date);
- (ii) where the Index Linked Securities relate to a Basket of Indices and the relevant Final Terms provides that “Common Scheduled Trading Days” shall not be applicable, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-off Date) and the Valuation Date for each Index affected (each an “**Affected Index**”) 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 Index, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was

scheduled to fall not being a Scheduled Trading Day for such Index, (A) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day) and (B) the Calculation Agent shall determine the relevant level or price using, in relation to such Index, the level of such Index determined in the manner set out in the relevant Final Terms or, if not set out or if not practicable, using the level of such Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Product Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); or

- (iii) where the Index Linked Securities relate to a Basket of Indices and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-off Date) and the Valuation Date for each Index affected (each an “**Affected Index**”) 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 Index, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (A) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Index (notwithstanding the fact that such day may be a Disrupted Day for an Index or not a Common Scheduled Trading Day) and (B) the Calculation Agent shall determine the relevant level or price using, in relation to such Index, the level of such 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 the Valuation Cut-Off Date in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in such Index (or, if an event giving rise to a Disrupted Day (as defined in the Equity Linked Product Conditions in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date).

“**Valuation Time**” means:

- (i) in respect of each Index specified hereon as not being a Multi-Exchange Index, the Relevant Time specified hereon or, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to such Index. 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) in respect of each Index specified hereon as being a Multi-Exchange Index, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange; and (y) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the relevant Related Exchange, and (B) 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 (A) 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.

“**Weight**” means, in respect of each Basket Component comprising a Basket, the percentage specified as the Weight of such Basket Component in the relevant Final Terms.

CHAPTER 2: TERMS AND CONDITIONS FOR INFLATION LINKED SECURITIES

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Inflation Linked Product Conditions are “Applicable” (the “**Inflation Linked Product Conditions**”). These Inflation Linked Product Conditions are subject to amendment, supplement or variance in accordance with the relevant Final Terms. In the case of any inconsistency between these Inflation Linked Product Conditions, the Base Note Conditions, the Base C&W Conditions and/or the Base General Conditions, these Inflation Linked Product Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Inflation Linked Product Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Inflation Linked Product Conditions or elsewhere in the Conditions applicable to the Inflation Linked Securities will have the meanings given to them in the relevant Final Terms. References in these Inflation Linked Product Conditions to “Inflation Linked Securities” are to the Inflation Linked Notes or Inflation Linked C&W Securities, as the case may be, of one Series only, not to all Inflation Linked Securities that may be issued under the Programme.

Unless otherwise specified, references in these Inflation Linked Product Conditions to a Product Condition are to a section or clause of these Inflation Linked Product Conditions.

2 Inflation Linked Securities

2.1 Settlement of Inflation Linked Redemption Securities

Unless previously redeemed or purchased and cancelled, each nominal amount or calculation amount of the Inflation Linked Redemption Securities equal to the Calculation Amount set out hereon will be redeemed or cancelled by the Bank at the Cash Settlement Amount(s) specified hereon, or determined in the manner specified hereon on the Maturity Date (in the case of the Notes), the Settlement Date (in the case of Warrants or Exercisable Certificates), or the Redemption Date (in the case of Redeemable Certificates) (any such date, the “**Final Payment Date**”).

2.2 Inflation Linked Interest Securities

Interest shall be payable on each Inflation Linked Interest Security or, if Units are specified in the relevant Final Terms, each Unit, in accordance with the provisions of this Product Condition 2, Base Note Condition 4 (*Interest and Other Calculations*) (in the case of the Notes) and Base C&W Condition 4 (*Interest*) (in the case of the C&W Securities).

2.3 Inflation Index Delay and Disruption Event Provision

(a) *Delay of Publication of an Inflation Index*

If any level of an Inflation Index for a Reference Month which is relevant to the calculation of a payment under the Inflation Linked Securities (a “**Relevant Level**”) has not been published or announced by the day that is five Business Days prior to an Interest Payment Date (in the case of Inflation Linked Interest Securities) or the Final Payment Date (in the case of Inflation Linked Redemption Securities) (each such date an “**Affected Payment Date**”), the Calculation Agent shall determine a “**Substitute Inflation Index Level**” by using the following methodology:

- (i) if applicable, the Calculation Agent will take the same action to determine the Substitute Inflation Index Level for the Affected Payment Date as that taken by the calculation agent pursuant to the terms and conditions of the Related Bond; or
- (ii) if (i) does not result in a Substitute Inflation Index Level for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Inflation Index Level as follows:

Substitute Inflation Index Level = Base Level x (Latest Level/Reference Level)

Where:

“**Base Level**” means the level of the Inflation Index (excluding “**flash estimates**”) published or announced by the Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined.

“**Latest Level**” means the latest level of the Inflation Index (excluding “**flash estimates**”) published or announced by the Inflation Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being calculated.

“**Reference Level**” means the level of the Inflation Index (excluding “**flash estimates**”) published or announced by the Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in “Latest Level” above.

If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Interest Payment Date (in the case of Inflation Linked Interest Securities) or the Final Payment Date (in the case of Inflation Linked Redemption Securities), such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this section (a) will be the definitive level for the relevant Reference Month.

(b) Cessation of Publication

If a level for an Inflation Index has not been published or announced for two consecutive months or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index, then the Calculation Agent shall determine a “**Successor Inflation Index**” (in lieu of any previously applicable Inflation Index) for the purposes of the Inflation Linked Securities by using the following methodology:

- (i) if at any time (other than after the designation by the Calculation Agent of a date for the early redemption of the Inflation Linked Securities pursuant to sub-section (v) below) a successor index has been designated by the calculation agent pursuant to the terms and conditions of the Related Bond, such successor Inflation Index shall be designated a “Successor Inflation Index” for the purposes of all subsequent Interest Payment Dates (in the case of Inflation Linked Interest Securities) or the Final Payment Date (in the case of Inflation Linked Redemption Securities) in relation to the Inflation Linked Securities notwithstanding that any other successor index may previously have been determined under the other sub-sections of this section (b);
- (ii) if: (1) a Successor Inflation Index has not been determined under sub-section (i) above; (2) there has been no designation of a date for the early redemption of the Inflation Linked Securities by the Calculation Agent pursuant to sub-section (v) below; (3) a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor; and (4) the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, then such replacement index shall be deemed to be the “Successor Inflation Index” for purposes of the Inflation Linked Securities from the date that such replacement Inflation Index comes into effect;
- (iii) if a Successor Inflation Index has not been designated by the Calculation Agent under sub-section (i) or (ii) above (and there has been no designation of a date for the early redemption of the Inflation Linked Securities by the Calculation Agent pursuant to sub-section (v) below), the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If at least four responses are received and, of those responses, three or more of such dealers state the same index, such index will be deemed the “Successor Inflation Index” for the purposes of the Inflation Linked Securities. If three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the “Successor Inflation Index” for the purposes of the Inflation Linked Securities. If fewer than three responses are received, sub-section (iv) below shall apply;

- (iv) if no Successor Inflation Index has been determined under sub-section (i), (ii) or (iii) above by the fifth Business Day prior to the Affected Payment Date, the Calculation Agent will determine an appropriate alternative index for the Interest Payment Date (in the case of Inflation Linked Interest Securities) or the Final Payment Date (in the case of Inflation Linked Redemption Securities) related to such Affected Payment Date, and such index will be deemed a “Successor Inflation Index”; or
 - (v) if the Calculation Agent determines that there is no appropriate alternative index, the Bank may, by notice to the Noteholders (copied to the Fiscal Agent), in accordance with Base General Condition 15 (*Notices*), redeem or cancel all but not some only of the Inflation Linked Securities at the Early Redemption Amount (in the case of the Notes) or the Early Cancellation Amount (in the case of the C&W Securities).
- (c) ***Rebasing of Inflation Index***

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the “**Rebased Inflation Index**”) will be used for purposes of determining the level of an Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the calculation agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Inflation Index so that the Rebased Inflation Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. If there is no Related Bond, the Calculation Agent shall make adjustments to the past levels of the Rebased Inflation Index so that the Rebased Inflation Index levels reflect the same rate of inflation as the Inflation Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Inflation Linked Securities.

(d) ***Material Modification Prior to an Interest Payment Date or Final Payment Date***

If, on or prior to the day that is five Business Days before the next Interest Payment Date (in the case of Inflation Linked Interest Securities) or the Final Payment Date (in the case of Inflation Linked Redemption Securities), the Inflation Index Sponsor announces that it will make a material change to the Inflation Index, the Calculation Agent shall make any such adjustments to the Inflation Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Inflation Index to continue as the Inflation Index.

(e) ***Manifest Error in Publication***

If, within 30 days of publication but no later than the day that is five Business Days prior to the next Interest Payment Date (in the case of Inflation Linked Interest Securities) or the Final Payment Date (in the case of Inflation Linked Redemption Securities), the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a material error in its original publication, the Calculation Agent will notify the Bank and the Noteholders, in accordance with Base General Condition 15 (*Notices*), of (i) that correction and (ii) any amount that may be payable as a result of that correction, and take such other action as it may deem necessary to give effect to such correction.

2.4 Definitions relevant to Inflation Linked Securities

“**Basket**” means a basket comprising the Basket Components specified in the relevant Final Terms in the Weights specified for each Basket Component in the relevant Final Terms.

“**Basket Components**” means, in respect of a Basket, each of the Inflation Indices comprising such Basket.

“**Fallback Bond**” means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to the Inflation Index, with a Final Payment date (i) which falls on the same day as the Final Payment Date, (ii) which is after but falling closest to the Final Payment Date if there is no such bond maturing on the Final Payment Date or (iii) which is before but falling closest to the Final Payment Date if no bond defined in (i) or (ii) is selected by the Calculation Agent. If the Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation

Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date of the Inflation Linked Securities. If there is more than one bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

“**Inflation Index**” means, subject to adjustment in accordance with this Product Condition 2, the Inflation Index specified hereon and related expressions shall be construed accordingly.

“**Inflation Index Sponsor**” means the Inflation Index sponsor specified for such Inflation Index hereon and any successor Inflation Index sponsor of such Inflation Index.

“**Reference Month**” means each month specified hereon, or, if none, the calendar month for which the level of the Inflation Index was reported, regardless of when this information is published or announced. If the period for which the Inflation Index level was reported is a period other than a month, the Reference Month is the period for which the Inflation Index level was reported.

“**Related Bond**” means a bond specified hereon or, if no bond is specified as the Related Bond herein, the Related Bond shall be the Fallback Bond. If the bond specified to be the Related Bond redeems or matures during the term of the Inflation Linked Securities, the Related Bond shall be the Fallback Bond.

“**Weight**” means, in respect of each Basket Component comprising a Basket, the percentage specified as the Weight of such Basket Component in the relevant Final Terms.

CHAPTER 3: TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Equity Linked Product Conditions are “Applicable” (the “**Equity Linked Product Conditions**”). These Equity Linked Product Conditions are subject to amendment, supplement or variance in accordance with the relevant Final Terms. In the case of any inconsistency between these Equity Linked Product Conditions, the Base Note Conditions, the Base C&W Conditions and/or the Base General Conditions, these Equity Linked Product Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Equity Linked Product Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Equity Linked Product Conditions or elsewhere in the Conditions applicable to the Equity Linked Securities will have the meanings given to them in the relevant Final Terms. References in these Equity Linked Product Conditions to “Equity Linked Securities” are to the Equity Linked Notes or Equity Linked C&W Securities, as the case may be, of one Series only, not to all Equity Linked Securities that may be issued under the Programme.

Unless otherwise specified, references in these Equity Linked Product Conditions to a Product Condition are to a section or clause of these Equity Linked Product Conditions.

3 Equity Linked Securities

Unless previously redeemed or purchased and/or cancelled, as the case may be, each Equity Linked Security, or if Units are specified as applicable, each Unit, will accrue interest and/or be settled on the Maturity Date (in the case of the Notes), the Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) in the manner specified hereon.

3.1 Settlement of Equity Linked Redemption Securities

If Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, is specified hereon as being applicable, where the Cash Settlement Amount (in the case of Cash Settled Securities) or the Asset Amount (in the case of Physical Delivery Securities), as the case may be, is determined in respect of a Valuation Date or Averaging Date(s), and where the Valuation Date or the Averaging Date, as the case may be, falling immediately prior to the Maturity Date (in the case of Notes), Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) (any such date, the “**Final Payment Date**”), as the case may be, is postponed as a result of the occurrence of a Disrupted Day, the relevant Final Payment Date shall be the later of (i) the date specified hereon as the Final Payment Date (the “**Scheduled Final Payment Date**”), as the case may be, and (ii) the day falling the number of Extension Business Days after the postponed Valuation Date or the postponed Averaging Date, as the case may be. If any amount is payable on the exercise or redemption of an Equity Linked Security or, if Units are specified in the relevant Final Terms, each Unit, to which Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, applies, and the relevant Final Payment Date is postponed pursuant to a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, such amount will be due on the relevant date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

3.2 Equity Linked Interest Securities

Interest shall be payable on each Equity Linked Interest Security or, if Units are specified in the relevant Final Terms, each Unit, in accordance with the provisions of this Product Condition 3, Base Note Condition 4 (*Interest and Other Calculations*) (in the case of the Notes) and Base C&W Condition 4 (*Interest*) (in the case of the C&W Securities).

If Payment Date Extension is specified hereon as being applicable, where the Interest Amount(s) are determined in respect of a Valuation Date or Averaging Date, and such Valuation Date or Averaging Date, as the case may be, is postponed as a result of the occurrence of a Disrupted Day, the Interest Payment Date relating to such postponed Valuation Date or postponed Averaging Date shall be the later of (i) the Interest Payment Date specified hereon (the

“**Scheduled Payment Date**”) and (ii) the day falling the number of Extension Business Days after such postponed Valuation Date or postponed Averaging Date, as the case may be. If any amount is payable on an Interest Payment Date in respect of an Equity Linked Interest Security or Unit, to which Payment Date Extension applies, and such Interest Payment Date is postponed pursuant to a Payment Date Extension, such amount will be due on the Interest Payment Date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

3.3 Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Securities in respect of Underlying Equities and Correction of Underlying Equity Prices

- (a) If Potential Adjustment Events are specified hereon as being applicable, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of an Underlying Equity and, if so, will (i) either (A) make the corresponding adjustment (if any), to any one or more Interest Amount(s), the Cash Settlement Amount, and/or the Asset Amount(s) and/or the Exercise Price and/or the Settlement Price and/or any of the other terms hereof as the Calculation Agent determines appropriate to account for that diluting, concentrative or other effect or (B) substitute the relevant Underlying Equity with a different underlying equity and, following such substitution, the Calculation Agent shall make such adjustment (if any) as it considers appropriate to the Settlement Price and/or any of the other terms hereof (provided that no such adjustment or substitution will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the Underlying Equity) and (ii) determine the effective date of that adjustment or substitution. 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.

In making any determination in respect of any such adjustment or substitution, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Securityholder shall be entitled to claim from the Bank, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Securityholders.

Upon the occurrence (if relevant) of the Potential Adjustment Event, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 15 (*Notices*) stating the occurrence of the Potential Adjustment Event, giving details thereof and the action proposed to be taken in relation thereto.

- (b) If (i) De-listing, Merger Event, Nationalisation and Insolvency is specified hereon as applying and/or (ii) Tender Offer is specified hereon as applying and (in the case of (i)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (ii)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Bank in its sole and absolute discretion may:
- (1) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Interest Amount(s) and/or the Cash Settlement Amount and/or the Asset Amount(s) and/or the Settlement Price and/or the Exercise Price and/or any of the other terms hereof 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
 - (2) where the Equity Linked Securities are specified hereon as relating to a Basket of Underlying Equities, remove such Underlying Equity from the basket of Underlying Equities and, following such removal, the Calculation Agent shall determine the appropriate adjustment, if any, to be made to any one or more of the Interest Amount(s) and/or the Cash Settlement Amount and/or the Settlement Price and/or the Asset Amount(s) and/or the Exercise Price and/or any of the other terms hereof 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

- (3) substitute such Underlying Equity with a different underlying equity and, following such substitution, the Calculation Agent shall make such adjustment (if any) as it considers appropriate to the Settlement Price and/or any of the other terms hereof; or
- (4) give notice to the Securityholders in accordance with Base General Condition 15 (*Notices*) and redeem or cancel, as the case may be, all, but not some only, of the Equity Linked Securities or, if Units are specified in the relevant Final Terms, the Units, as applicable, on a date selected by the Bank, by payment of the Early Redemption Amount (in the case of the Notes) or Early Cancellation Amount (in the case of C&W Securities) to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Base General Condition 15 (*Notices*).

If the provisions of this Product Condition 3.3(b) 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, Nationalisation or Insolvency or Tender Offer, as the case may be, made by an options exchange to options on the Underlying Equities traded on that options exchange.

In making any determination in respect of any such adjustment, the Bank and/or Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Securityholder shall be entitled to require, nor shall any Securityholder be entitled to claim, from the Bank, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Securityholders.

Upon the occurrence (if relevant) of a De-listing, Merger Event, Nationalisation or Insolvency or Tender Offer, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 15 (*Notices*) stating the occurrence of the De-listing, Merger Event, Nationalisation or Insolvency or Tender Offer, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (c) In respect of Equity Linked Securities 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 establishing the European Community, as amended, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in Euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the Interest Amount(s) and/or the Cash Settlement Amount and/or the Asset Amount(s) and/or the Settlement Price and/or the Exercise Price and/or any of the other terms hereof as the Calculation Agent determines to be appropriate to preserve the economic terms of the Equity Linked Securities. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Product Condition 3.3(c) will affect the currency denomination of any payments in respect of the Equity Linked Securities.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 15 (*Notices*), stating the adjustment to the Cash Settlement Amount and/or the Asset Amount(s) and/or the Settlement Price and/or the Exercise Price and/or any of the other terms hereof.

- (d) If Correction of Underlying Equity Prices is specified hereon as applying and the price of an Underlying Equity published on the Valuation Date or an Averaging Date is subsequently corrected and the correction (the “**Corrected Underlying Equity Price**”) is published on the relevant Exchange prior to the relevant Correction Cut-Off Date specified hereon, then the Calculation Agent in its sole and absolute discretion shall determine what, if any, adjustments to make to the closing price for such Underlying Equity for the Valuation Date or such Averaging Date, as the case may be, and the Calculation Agent shall use such amended price of such Underlying Equity to determine the relevant Interest Amount, Cash Settlement Amount or Asset Amount, as the case may be.

For the avoidance of doubt, any Corrected Underlying Equity Price published on or after the relevant Correction Cut-Off Date shall be disregarded.

3.4 Definitions relevant to Equity Linked Securities

“**Averaging Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day (or, where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, a Common Scheduled Trading Day), would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day (or, where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

“**Averaging Date**” means each date specified as an Averaging Date in the relevant Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day, (or, where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

- (i) if “**Omission**” is specified hereon as applying, such date will be deemed not to be an Averaging Date for purposes of determining the relevant Interest Amount and/or Cash Settlement Amount or Asset Amount, as the case may be, provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the Settlement Price on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (ii) if “**Postponement**” is specified hereon as applying, the provisions of the definition of “Valuation Date” will apply for purposes of determining the Settlement Price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if “**Modified Postponement**” is specified hereon as applying:
 - (A) where the Equity Linked Securities relate to a single Underlying Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred by the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Underlying Equity, then (i) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (ii) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (i)(B) of the definition of “Valuation Date” below;
 - (B) where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall not be applicable, the Averaging Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Scheduled Trading Day, if applicable) (the “**Scheduled Averaging Date**”) and the Averaging Date for a Underlying Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying Equity. If the first succeeding Valid Date in relation to such Underlying Equity has not occurred as of the Valuation Time by the Averaging Cut-Off Date or if such

Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Underlying Equity, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Underlying Equity, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with subparagraph (ii)(B) of the definition of “Valuation Date” below; or

- (C) where the Equity Linked Securities relate to a Basket of Underlying Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Averaging Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (following adjustment of such date owing to the original date not being a Common Scheduled Trading Day, if applicable) (the “**Scheduled Averaging Date**”) and the Averaging Date for a Underlying Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying Equity. If the first succeeding Valid Date in relation to such Underlying Equity has not occurred as of the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, then (A) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date) in relation to such Underlying Equity, and (B) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with sub-paragraph (iii)(B) of the definition of “Valuation Date” below.

“**Basket**” means a basket comprising the Basket Components specified in the relevant Final Terms in the Weights specified for each Basket Component in the relevant Final Terms.

“**Basket Component**” means, in respect of a Basket, each of the Underlying Equities comprising such Basket.

“**Index Basket Level**” means, in respect of any date of determination, where Basket of Underlying Equities is specified in the relevant Final Terms, unless otherwise specified hereon, the sum of the weighted Settlement Prices of each Basket Component on such date, where the weighted Settlement Price of a Basket Component is determined by multiplying the Settlement Price of such Basket Component by its Weight.

“**Common Scheduled Trading Day**” means, in respect of a Basket of Underlying Equities, each day which is a Scheduled Trading Day for all the Underlying Equity in the Basket of Underlying Equities.

“**De-listing**” means, in respect of any Underlying Equity, the Exchange announces that, pursuant to the rules of such Exchange, such Underlying Equity ceases (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 is 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) or another exchange or quotation system located in another country which exchange or quotation system and country is deemed acceptable by the Calculation Agent.

“**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.

“**Equity Issuer**” has the meaning as specified hereon.

“**Exchange**” means, in respect of an Underlying Equity, each exchange or quotation system specified hereon as such for such Underlying Equity, 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.

“**Extension Business Days**” means, if Payment Date Extension, Maturity Date Extension, Settlement Date Extension or Redemption Date Extension is specified hereon as applicable, the number of Business Days specified hereon, or, if none, (i) in respect of a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, the number of Business Days that the relevant Scheduled Final Payment Date falls after the Scheduled Valuation Date or the original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Averaging Date (the “**Affected Averaging Date**”), as the case may be, falling immediately prior to the relevant Scheduled Final Payment Date or Scheduled Redemption Date, as the case may be, and (ii) in respect of a Payment Date Extension, the number of Business Days that the Scheduled Payment Date falls after the Scheduled Valuation Date or the Affected Averaging Date, as the case may be, falling immediately prior to such Scheduled Payment Date.

“**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 (i) all the Underlying Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Equities of that Equity Issuer become legally prohibited from transferring them.

“**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 relevant Exchange; or
 - (y) in futures or options contracts relating to the Underlying Equity 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 (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 relating to the relevant Underlying Equity on any relevant Related Exchange; or
- (ii) the closure on any Exchange Business Day of any relevant Exchange(s) or 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,

which in any such case the Calculation Agent determines is material.

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 15 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or the Valuation Date. Without limiting the obligation of the Calculation Agent to give notice to the Securityholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Securityholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

“**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law relevant 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 such Underlying Equities outstanding to another entity or person; or

- (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 any such reclassification or change of all such Underlying Equities outstanding); or
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding 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,

in each case where the Merger Date is on or before an Averaging Date, Valuation Date, or Exercise Date or, if the Equity Linked Securities are to be redeemed, exercised or cancelled by delivery of Underlying Equities, where the Merger Date is on or before the Maturity Date, the Settlement Date or Redemption Date, as the case may be.

“**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.

“**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 (A) such Underlying Equities or (B) 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 (C) 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 (D) any other type of securities, rights or warrants or other assets, in any case, for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend 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 take-overs that provides, upon the occurrence of certain events, for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equities.

“**Related Exchange**” means, in relation to an Underlying Equity, each exchange or quotation system specified hereon as such in relation to such Underlying Equity, 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 hereon as the Related Exchange, 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 Trading Day**” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

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

“**Settlement Price**” means in respect of an Underlying Equity, an amount equal to the official closing price (or the price at the Valuation Time on (A) if a Valuation Date is specified hereon, the Valuation Date or (B) if Averaging Dates are specified in the relevant Final Terms, an Averaging Date) of the Underlying Equity quoted on the Relevant Exchange and, if specified in the relevant Final Terms, without regard to any subsequently published correction 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, the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) can be determined at such time and, if the Valuation Date or such Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) for the Underlying Equity based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Equity or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified in the relevant Final Terms as applying, into the Specified Currency at the Exchange Rate and such converted amount shall be the Settlement Price.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the 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.

“**Underlying Equity**” means each underlying equity as specified in the relevant Final Terms.

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

“**Valuation Cut-Off Date**” means the eighth Scheduled Trading Day (or, where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the eighth Common Scheduled Trading Day) immediately following the Scheduled Valuation Date or, if earlier, the Scheduled Trading Day (or, where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the

Common Scheduled Trading Day) falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

“**Valuation Date**” means each Valuation Date specified in the relevant Final Terms or if that is not a Scheduled Trading Day the immediately following Scheduled Trading Day, (or, where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the immediately following Common Scheduled Trading Day), or, if earlier, the Valuation Cut-off Date. If such day is a Disrupted Day, then:

- (i) where the Equity Linked Securities 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 Scheduled Trading Days up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Share, (A) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (B) the Calculation Agent shall determine the relevant price in the manner set out in the relevant Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date;
- (ii) where the Equity Linked Securities relate to a Basket of Underlying Equities and the relevant Final Terms provides that “Common Scheduled Trading Days” shall not be applicable, the Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Underlying Equity affected (each an “**Affected Underlying 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 Underlying Equity, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Underlying Equity. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for such Underlying Equity, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Underlying Equity (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to such Underlying Equity, a price determined in the manner set out in the relevant Final Terms or, if not set out or if not practicable, using its good faith estimate of the price for such Underlying Equity as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions; or
- (iii) where the Equity Linked Securities relate to a Basket of Underlying Equities and the applicable Final Terms provides that “Common Scheduled Trading Days” shall be applicable, the Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day, or in either case, if earlier, the Valuation Cut-Off Date) and the Valuation Date for each Underlying Equity affected (each an “**Affected Underlying 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 Underlying Equity, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date (or if the Scheduled Valuation Date is not a Common Scheduled Trading Day, the immediately following Common Scheduled Trading Day) up to, and including, the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Underlying Equity. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Common Scheduled Trading Day, (A) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for such Underlying Equity (notwithstanding the fact that such day may be a Disrupted Day for a Underlying Equity or not a Common Scheduled Trading Day) and (B) the Calculation Agent shall determine the relevant price using, in relation to such Underlying Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out

or if not practicable, using its good faith estimate of the price for such Underlying Equity as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

“**Valuation Time**” means the Valuation Time specified hereon or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the Valuation Date or Averaging Date, as the case may be, 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.

“**Weight**” means, in respect of each Basket Component comprising a Basket, the percentage specified as the Weight of such Basket Component in the relevant Final Terms.

CHAPTER 4: TERMS AND CONDITIONS FOR CURRENCY LINKED SECURITIES

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Currency Linked Product Conditions are “Applicable” (the “**Currency Linked Product Conditions**”). These Currency Linked Product Conditions are subject to amendment, supplement or variance in accordance with the relevant Final Terms. In the case of any inconsistency between these Currency Linked Product Conditions, the Base Note Conditions, the Base C&W Conditions and/or the Base General Conditions, these Currency Linked Product Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Currency Linked Product Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Currency Linked Product Conditions or elsewhere in the Conditions applicable to the Securities will have the meanings given to them in the relevant Final Terms. References in these Currency Linked Product Conditions to Securities are to the Notes or C&W Securities, as the case may be, of one Series only, not to all Securities that may be issued under the Programme.

Unless otherwise specified, references in these Currency Linked Product Conditions to a Product Condition are to a section or clause of these Currency Linked Product Conditions.

4 Currency Linked Securities

Unless previously redeemed or purchased and/or cancelled, as the case may be, each Currency Linked Security, or if Units are specified as applicable, each Unit, will accrue interest and/or be settled on the Maturity Date (in the case of the Notes), the Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) in the manner specified hereon.

4.1 Settlement of Currency Linked Redemption Securities

If Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, is specified hereon as being applicable, where the Cash Settlement Amount is determined in respect of a Reference Date, and where a Reference Date falling immediately prior to the Maturity Date (in the case of the Notes), the Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) (any such date, the “**Final Payment Date**”) as the case may be, is postponed as a result of the occurrence of a Disrupted Day, the relevant Final Payment Date, shall be the later of (a) the date specified hereon as the Final Payment Date (the “**Scheduled Final Payment Date**”) and (b) the day falling the number of Extension Business Days after the postponed Reference Date. If any amount is payable on the exercise or redemption of a Currency Linked Security or, if Units are specified in the applicable C&W Final Terms, a Unit, to which Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, applies, and the relevant Final Payment Date is postponed pursuant to a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, such amount will be due on the relevant date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

4.2 Currency Linked Interest Securities

Interest shall be payable on each Currency Linked Interest Security or, if Units are specified in the applicable C&W Final Terms, each Unit, in accordance with the provisions of this Product Condition 4, Base Note Condition 4 (*Interest and other Calculations*) (in the case of the Notes) and Base C&W Condition 4 (*Interest*) (in the case of the C&W Securities).

4.3 Payment Date Extension

If Payment Date Extension is specified hereon as being applicable, where the Interest Amount(s) or Rate(s) of Interest as the case may be, are determined in respect of a Reference Date and such Reference Date is postponed as a result of the occurrence of a Disrupted Day, the Interest Payment Date relating to such postponed Reference

Date shall be the later of (a) the Interest Payment Date specified hereon (the “**Scheduled Payment Date**”) and (b) the day falling the number of Extension Business Days after such postponed Reference Date. If any amount is payable on an Interest Payment Date in respect of a Currency Linked Interest Security or Unit to which Payment Date Extension applies, and such Interest Payment Date is postponed pursuant to a Payment Date Extension, such amount will be due on the Interest Payment Date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

4.4 Averaging

If “Averaging Dates” are specified in the relevant Final Terms, then, for the purposes of determining the FX Rate in relation to a Valuation Date, the FX Rate will be the arithmetic mean of the FX Rates on each specified Averaging Date (or, if different, the day on which rates for each Averaging Date would, in the ordinary course, be published or announced by the relevant price source).

Unless otherwise specified in the Final Terms, in the case where it becomes impossible to obtain the FX Rate on an Averaging Date (or, if different, the day on which rates for that Averaging Date would, in the ordinary course, be published or announced by the relevant price source), such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Cash Settlement Amount. If, through operation of this provision, there would not be an Averaging Date with respect to the relevant Settlement Date, the provisions of Product Condition 4.5 (*Adjustment to a Currency*) will apply for purposes of determining the relevant FX Rate on such Averaging Date as if such Averaging Date was a Reference Date on which an FX Disruption Event had occurred.

4.5 Adjustment to a Currency

(a) Consequences of Disrupted Days

(1) Single FX Rate and Reference Dates

Where the Securities relate to a single FX Rate, and if the Calculation Agent determines that any Reference Date in respect of such FX Rate is a Disrupted Day, the Calculation Agent shall determine such FX Rate on such Reference Date in accordance with the first applicable Disruption Fallback (applied in accordance with its terms).

(2) FX Rate Basket and Reference Dates

Where the Securities relate to a Basket of FX Rates, and if the Calculation Agent determines that any Reference Date in respect of one or more of such FX Rates is a Disrupted Day, then:

- (A) for each FX Rate for which the Calculation Agent determines that such Reference Date is not a Disrupted Day, the FX Rate will be determined on such Reference Date from the relevant FX Price Source; and
- (B) for each FX Rate for which the Calculation Agent determines that such Reference Date is a Disrupted Day, the Calculation Agent shall determine such FX Rate on such Reference Date in accordance with the first applicable Disruption Fallback (applied in accordance with its terms).

(b) Corrections to Published and Displayed Rates

For purposes of determining the FX Rate for any Reference Date:

- (1) In any case where an FX Rate is based on information obtained from the Reuter Monitor Money Rates Service, or any other financial information service, the FX Rate will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such source, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction.

- (2) Notwithstanding sub-paragraph (1) above, in any case where the FX Rate is based on information published or announced by any Governmental Authority in a relevant country, the FX Rate will be subject to the corrections, if any, to that information subsequently published or announced by that source, unless the Calculation Agent determines in its sole and absolute discretion that it is not practicable to take into account such correction, including, but not limited to, in relation to any calculations or determinations connected with the expiry, settlement or exercise of any Securities.

In the event that the Calculation Agent identifies any correction referred to in sub-paragraph (1) or (2) above (and in the case of a correction in respect of an FX Rate published as set out in sub-paragraph (2) above, within 5 days of such correction), if applicable, the Bank may (but shall not be obliged to) take such action as it considers necessary or appropriate to pay to Securityholders or to recover from Securityholders (in either case, if an amount has already been paid based on a subsequently corrected price) as a result of such correction. Notwithstanding the foregoing, under no circumstances shall the Bank be obliged to recover any moneys from any relevant Clearing System. The Calculation Agent will only identify that a correction to an FX Rate has been made under this Product Condition 4.5(b) and shall have no liability to any person for so doing or for any action that the bank determines necessary or appropriate as a result of such correction.

(c) Successor Currency

Where the relevant Final Terms specify that “Successor Currency” is applicable in respect of an FX Rate, then:

- (1) each Reference Currency will be deemed to include any lawful successor currency to the Reference Currency (the “**Successor Currency**”);
- (2) if the Calculation Agent determines that, on or after the Issue Date but on or before any relevant date under the Securities on which an amount may be payable, a country has lawfully eliminated, converted, redenominated or exchanged its currency in effect on the Issue Date or any Successor Currency, as the case may be (the “**Original Currency**”) for a Successor Currency, then, for the purposes of calculating any amounts of the Original Currency or effecting settlement thereof, any Original Currency amounts will be converted to the Successor Currency by multiplying the amount of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by the relevant country of the Original Currency for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place, as determined by the Calculation Agent. If there is more than one such date, the date closest to such relevant date will be selected (or such other date as may be selected by the Calculation Agent in its sole and absolute discretion);
- (3) notwithstanding sub-paragraph (2) above but subject to sub-paragraph (4) below, the Calculation Agent may (to the extent permitted by the applicable law), in its sole and absolute discretion, select such other exchange rate or other basis for the conversion of an amount of the Original Currency to the Successor Currency and will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Securities to account for such elimination, conversion, redenomination or exchange of the Reference Currency; and
- (4) notwithstanding the foregoing provisions, with respect to any Reference Currency that is substituted or replaced by the Euro, the consequences of such substitution or replacement will be determined in accordance with applicable law.

(d) Rebasing of Securities

If the relevant Final Terms specify that “Rebasing” is applicable, then, if on or prior to any Reference Date or any other relevant date the Calculation Agent is unable to obtain a value for an FX Rate (because the Reference Currency and/or Base Currency ceases to exist, or for any other reason other than a temporary disruption, as determined by the Calculation Agent), the Calculation Agent may rebase the Securities against another foreign exchange rate determined by the Calculation Agent, in its sole and absolute discretion, to be a comparable foreign exchange rate. If the Calculation Agent determines in its sole and absolute discretion that there is not such a comparable foreign exchange rate, the Bank may elect to redeem or cancel the Securities by notice to Securityholders on the date specified in the notice at the Early Redemption Amount (in the case of the Notes) or the Early Cancellation Amount (in the case of the C&W Securities).

4.6 Definitions relevant to Currency Linked Securities

“**Averaging Date**” means each date specified as an Averaging Date in the Final Terms, or, if such day is not a Scheduled Trading Day, the first preceding day that is a Scheduled Trading Day, unless an alternative adjustment is specified in the Final Terms as being applicable to each Averaging Date.

“**Base Currency**” means the currency specified as such in the relevant Final Terms in respect of a Reference Currency.

“**Basket**” means a basket comprising the Basket Components specified in the relevant Final Terms in the Weights specified for each Basket Component in the relevant Final Terms.

“**Basket Component**” means, in respect of a Basket, each of the FX Rates comprising such Basket.

“**Benchmark Obligation**” means the benchmark obligation specified in the relevant Final Terms in respect of a Reference Currency.

“**Calculation Agent Determination**” means, in respect of an FX Rate and any relevant day, that the FX Rate for such relevant day (or a method for determining the FX Rate) will be determined by the Calculation Agent taking into consideration all available information that in good faith it deems relevant.

“**Disruption Fallback**” means, in respect of an FX Rate, Calculation Agent Determination, Fallback Reference Price and/or such other sources or methods specified as such or otherwise determined as an alternative basis for determining such FX Rate as may be provided in the relevant Final Terms. The applicable Disruption Fallback in respect of an FX Rate shall be as specified in the relevant Final Terms, and if two or more Disruption Fallbacks are specified, unless otherwise provided in the Final Terms, such Disruption Fallbacks shall apply in the order in which they are specified, such that if the Calculation Agent determines that the FX Rate cannot be determined by applying one Disruption Fallback, then the next Disruption Fallback specified shall apply.

“**Disrupted Day**” means any day on which an FX Disruption Event occurs.

“**Extension Business Days**” means, if Payment Date Extension, Maturity Date Extension, Settlement Date Extension or Redemption Date Extension is specified hereon as applicable, the number of Business Days specified hereon, or, if none, (a) in respect of a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, the number of Business Days that the relevant Scheduled Final Payment Date falls after the Scheduled Valuation Date or the original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Averaging Date (the “**Affected Averaging Date**”) falling immediately prior to the relevant Scheduled Final Payment Date and (b) in respect of a Payment Date Extension, the number of Business Days that the Scheduled Payment Date falls after the Scheduled Valuation Date or the Affected Averaging Date, as the case may be, falling immediately prior to the Scheduled Payment Date.

“**Fallback Reference Price**” means, in respect of any relevant day, that the Calculation Agent will determine the affected FX Rate on such relevant day on the basis of the exchange rate for one unit of the related Base Currency in terms of the Reference Currency for such FX Rate, published by available recognised financial

information vendors (as selected by the Calculation Agent) other than the applicable FX Price Source, at or around the applicable Valuation Time on such relevant day.

“**FX Disruption Event**” means the occurrence or existence, as determined by the Calculation Agent, of any of the following events, if specified as applicable in the relevant Final Terms:

- (a) “**Benchmark Obligation Default**”, which means, with respect to any Benchmark Obligation, the occurrence of an event of default or other similar condition or event (however described), including, but not limited to:
 - (i) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of such Benchmark Obligation;
 - (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of such Benchmark Obligation; or
 - (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of such Benchmark Obligation without the consent of all holders of such Benchmark Obligation.

The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of the relevant entity to issue or enter into such Benchmark Obligation;

- (b) “**Price Materiality**”, which means, the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage;
- (c) “**Currency Replacement**”, which means, a relevant currency ceases to exist and is replaced by a new currency in a relevant jurisdiction;
- (d) “**Dual Exchange Rate**”, which means, a relevant FX Rate splits into dual or multiple currency exchange rates;
- (e) “**Governmental Authority Event**”, which means, a Governmental Authority of a relevant jurisdiction has given public notice of its intention to impose any controls which are likely to materially affect the Bank’s ability to hedge its obligations with respect to the Currency Linked Securities or to unwind any such hedge;
- (f) “**Illiquidity**”, which means, it is or becomes or is likely to become impossible or impracticable for the Bank to obtain any currency or obtain or use an FX Rate in an appropriate amount;
- (g) “**Inconvertibility**”, which means, the occurrence of any event that makes it or is likely to make it impossible and/or impracticable for the Bank to convert one relevant currency into another through customary legal channels (including, without limitation, any event that has the direct or indirect effect of hindering, limiting or restricting convertibility by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of one currency into another currency);
- (h) “**Non-Transferability**”, which means, the occurrence of any event in or affecting any relevant jurisdiction that makes it or is likely to make it impossible and/or impracticable for the Bank to deliver any relevant currency into a relevant account;
- (i) “**Price Source Disruption**”, which means, it becomes impossible or impracticable to obtain an FX Rate on or in respect of a Reference Date (or, if different, the day on which rates for that Reference Date would, in the ordinary course, be published or announced by the relevant price source);

- (j) “**Unscheduled Holiday**”, which means, the occurrence of a day is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time on such day;
and/or any other event specified as an FX Disruption Event in the relevant Final Terms.

“**FX Price Source**” means, in respect of an FX Rate, the price source specified in the relevant Final Terms for such FX Rate or, if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

“**FX Rate**” means, in respect of any relevant day and a Reference Currency, the exchange rate of one currency for another currency expressed as a number of units of the Reference Currency (or fractional amounts thereof) per unit of the Base Currency (and, if the relevant Final Terms specify a Number of FX Settlement Days, for settlement in the Number of FX Settlement Days reported and/or calculated and/or published by the FX Rate Sponsor), (i) where either the Base Currency or the Reference Currency is U.S. dollars, which appears on the FX Price Source at approximately the applicable Valuation Time on such day, (ii) in the case of a Non-USD FX Rate the rate that would be achieved by converting an amount in the Base Currency into U.S. Dollars using the FX Price Source specified for the Base Currency in the Final Terms and then converting the resultant amount from U.S. Dollars into the Reference Currency using the FX Price Source specified for the Reference Currency in the Final Terms, in each case at approximately the Valuation Time on such day or such other rate specified or otherwise determined as provided in the relevant Final Terms.

“**FX Rate Sponsor**” means, for any FX Rate, the entity specified as such in the relevant Final Terms.

“**FX Reference Banks**” means (i) the institutions specified as such in the relevant Final Terms; or (ii) if any of the institutions specified as such in the relevant Final Terms have ceased to exist or quote relevant rates or prices, whether because of merger or otherwise, those institutions specified that continue to exist and quote relevant rates and prices together with such additional number of institutions selected by the Calculation Agent, as is required to increase the number of existing and quoting institutions to the number of institutions originally specified; (iii) if institutions are not specified in the Final Terms, a number of leading institutions selected by the Calculation Agent.

“**Governmental Authority**” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a relevant jurisdiction.

“**Non-USD FX Rate**” means, in the case of Currency Linked Securities, neither the Base Currency nor the Reference Currency is U.S. dollars.

“**Number of FX Settlement Days**” means, in respect of each Reference Currency, such number or amount as is specified in the relevant Final Terms.

“**Price Materiality Percentage**” means the percentage specified as such in the relevant Final Terms.

“**Primary Rate**” means, in respect of each Reference Currency, the FX Rate specified as such in the relevant Final Terms.

“**Reference Currency**” means each currency specified as such in the relevant Final Terms. The Reference Currency may be defined in the relevant Final Terms or be interpreted by reference to Product Condition 4.7 (*Reference Currencies and Principal Financial Centres*).

“**Reference Date**” means, in respect of an FX Rate, each Averaging Date or Valuation Date, subject to adjustment in accordance with this Product Condition 4.

“**Scheduled Trading Day**” means, in respect of each FX Rate, any day on which the relevant FX Price Source would, in the ordinary course, publish or announce the relevant FX Rate; provided, that, if the FX Rate is a Non-USD FX Rate, the Scheduled Trading Day is any day on which the FX Price Source corresponding to each of

the Base Currency and the Reference Currency would, in the ordinary course, publish or announce the relevant FX Rate.

“**Secondary Rate**” means, in respect of each Reference Currency, the FX Rate specified as such in the relevant Final Terms.

“**Valuation Date**” means each date specified as such or otherwise determined as provided in the relevant Final Terms, or, if such date is not a Scheduled Trading Day, the first preceding day that is a Scheduled Trading Day, unless an alternate adjustment is specified in the Final Terms as being applicable.

“**Valuation Time**” means, in respect of an FX Rate, each time specified as such or otherwise determined as provided in the relevant Final Terms.

“**Weight**” means, in respect of each Basket Component comprising a Basket, the percentage specified as the Weight of such Basket Component in the relevant Final Terms.

“**Weighted Basket Component Value**” means, in respect of any relevant day and any Reference Currency that is a Basket Component, the FX Rate on such day for such Reference Currency, multiplied by the Weight of such Reference Currency.

4.7 Reference Currencies and Principal Financial Centres

Where any of the following are specified in the relevant Final Terms, they shall have the meanings prescribed below:

(a) Reference Currencies

- (i) **Algerian Dinar.** “Algerian Dinar” and “DZD” each means the lawful currency of the People’s Democratic Republic of Algeria.
- (ii) **Angolan Kwanza.** “Angolan Kwanza”, “Kwanza” and “AOA” each means the lawful currency of the Republic of Angola.
- (iii) **Argentine Peso.** “Argentine Peso” and “ARS” each means the lawful currency of the Argentine Republic.
- (iv) **Australian Dollar.** “Australian Dollar”, “A\$” and “AUD” each means the lawful currency of the Commonwealth of Australia.
- (v) **Brazilian Real.** “Brazilian Real”, “Brazilian Reais” and “BRL” each means the lawful currency of the Federative Republic of Brazil.
- (vi) **Bulgarian Lev.** “Bulgarian Lev” and “BGL” each means the lawful currency of the Republic of Bulgaria.
- (vii) **Canadian Dollar.** “Canadian Dollar”, “C\$” and “CAD” each means the lawful currency of Canada.
- (viii) **Chilean Peso.** “Chilean Peso” and “CLP” each means the lawful currency of the Republic of Chile.
- (ix) **Chinese Renminbi.** “Chinese Renminbi”, “CNY” and “RMB” each means the lawful currency of the People’s Republic of China.
- (x) **Colombian Peso.** “Colombian Peso” and “COP” each means the lawful currency of the Republic of Colombia.
- (xi) **Croatian Kuna.** “Croatian Kuna” and “HRK” each means the lawful currency of the Republic of Croatia.
- (xii) **Czech Koruna.** “Czech Koruna” and “CZK” each means the lawful currency of the Czech Republic.
- (xiii) **Danish Krone.** “Danish Krone”, “Dkr” and “DKK” each means the lawful currency of the Kingdom of Denmark.

- (xiv) **Ecuadorian Sucre.** “Ecuadorian Sucre” and “ECS” each means the lawful currency of the Republic of Ecuador.
- (xv) **Egyptian Pound.** “Egyptian Pound” and “EGP” each means the lawful currency of the Arab Republic of Egypt.
- (xvi) **Euro.** “Euro”, “euro” and “EUR” each means the lawful currency of the participating member states of the European Union adopted in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.
- (xvii) **Ghanaian Cedi.** “Ghanaian Cedi”, “Cedi” and “GHS” each means the lawful currency of the Republic of Ghana.
- (xviii) **Hong Kong Dollar.** “Hong Kong Dollar”, “HK\$” and “HKD” each means the lawful currency of Hong Kong.
- (xix) **Hungarian Forint.** “Hungarian Forint” and “HUF” each means the lawful currency of the Republic of Hungary.
- (xx) **Indian Rupee.** “Indian Rupee” and “INR” each means the lawful currency of the Republic of India.
- (xxi) **Indonesian Rupiah.** “Indonesian Rupiah” and “IDR” each means the lawful currency of the Republic of Indonesia.
- (xxii) **Israeli Shekel.** “Israeli Shekel” and “ILS” each means the lawful currency of the State of Israel.
- (xxiii) **Kazakhstan Tenge.** “Kazakhstan Tenge”, “Tenge” and “KZT” each means the lawful currency of the Republic of Kazakhstan.
- (xxiv) **Kenyan Shilling.** “Kenyan Shilling” and “KES” each means the lawful currency of the Republic of Kenya.
- (xxv) **Korean Won.** “Korean Won” and “KRW” each means the lawful currency of the Republic of Korea.
- (xxvi) **Kuwaiti Dinar.** “Kuwaiti Dinar” and “KWD” each means the lawful currency of the State of Kuwait.
- (xxvii) **Latvian Lats.** “Latvian Lats” and “LVL” each means the lawful currency of the Republic of Latvia.
- (xxviii) **Lebanese Pound.** “Lebanese Pound” and “LBP” each means the lawful currency of the Republic of Lebanon.
- (xxix) **Lithuanian Litas.** “Lithuanian Litas” and “LTL” each means the lawful currency of the Republic of Lithuania.
- (xxx) **Malaysian Ringgit.** “Malaysian Ringgit” and “MYR” each means the lawful currency of the Federation of Malaysia.
- (xxxi) **Mexican Peso.** “Mexican Peso” and “MXN” each means the lawful currency of the United Mexican States.
- (xxxii) **Moroccan Dirham.** “Moroccan Dirham” and “MAD” each means the lawful currency of the Kingdom of Morocco.
- (xxxiii) **New Zealand Dollar.** “New Zealand Dollar”, “NZ\$” and “NZD” each means the lawful currency of New Zealand.
- (xxxiv) **Nigerian Naira.** “Nigerian Naira” and “NGN” each means the lawful currency of the Republic of Nigeria.
- (xxxv) **Norwegian Krone.** “Norwegian Krone”, “Nkr” and “NOK” each means the lawful currency of the Kingdom of Norway.
- (xxxvi) **Pakistani Rupee.** “Pakistani Rupee” and “PKR” each means the lawful currency of the Islamic Republic of Pakistan.

- (xxxvii) **Peruvian Sol.** “Peruvian Nuevo Sol”, “Peruvian Sol” and “PEN” each means the lawful currency of the Republic of Peru.
- (xxxviii) **Philippine Peso.** “Philippine Peso” and “PHP” each means the lawful currency of the Republic of the Philippines.
- (xxxix) **Polish Zloty.** “Polish Zloty” and “PLN” each means the lawful currency of the Republic of Poland.
- (xl) **Romanian Leu.** “Romanian Leu”, “ROL” and “RON” each means the lawful currency of Romania.
- (xli) **Russian Ruble.** “Russian Ruble”, “Russian Rouble”, “RUR” and “RUB” each means the lawful currency of the Russian Federation.
- (xlii) **Saudi Arabian Riyal.** “Saudi Arabian Riyal”, “Saudi Arabian Rial” and “SAR” each means the lawful currency of the Kingdom of Saudi Arabia.
- (xliii) **Singapore Dollar.** “Singapore Dollar”, “S\$” and “SGD” each means the lawful currency of the Republic of Singapore.
- (xliv) **South African Rand.** “South African Rand”, “Rand”, “R” and “ZAR” each means the lawful currency of the Republic of South Africa.
- (xlv) **Sri Lankan Rupee.** “Sri Lankan Rupee” and “LKR” each means the lawful currency of the Democratic Socialist Republic of Sri Lanka.
- (xlvi) **Sterling.** “Sterling”, “British Pound”, “United Kingdom Pound”, “£”, “GBP” and “STG” each means the lawful currency of the United Kingdom.
- (xlvii) **Swedish Krona.** “Swedish Krona”, “Skr” and “SEK” each means the lawful currency of the Kingdom of Sweden.
- (xlviii) **Swiss Franc.** “Swiss Franc”, “Sfr”, “CHF” and “SWF” each means the lawful currency of Switzerland.
- (xlix) **Taiwanese Dollar.** “Taiwanese Dollar”, “New Taiwanese Dollar” and “TWD” each means the lawful currency of the Republic of China.
- (l) **Thai Baht.** “Thai Baht” and “THB” each means the lawful currency of the Kingdom of Thailand.
- (li) **Tunisian Dinar.** “Tunisian Dinar” and “TND” each means the lawful currency of the Republic of Tunisia.
- (lii) **Turkish Lira.** “Turkish Lira”, “TRY” and “TRL” each means the lawful currency of the Republic of Turkey.
- (liii) **Ukrainian Hryvnia.** “Ukrainian Hryvnia” and “UAH” each means the lawful currency of the Republic of Ukraine.
- (liv) **U.S. Dollar.** “U.S. Dollar”, “Dollar”, “U.S.\$”, “\$” and “USD” each means the lawful currency of the United States of America.
- (lv) **Venezuelan Bolivar.** “Venezuelan Bolivar”, “Venezuelan Bolivar Fuerte” and “VEF” each means the lawful currency of the Bolivarian Republic of Venezuela.
- (lvi) **Vietnamese Dong.** “Vietnamese Dong” and “VND” each means the lawful currency of the Socialist Republic of Vietnam.
- (lvii) **Yen.** “Yen”, “Japanese Yen”, “¥” and “JPY” each means the lawful currency of Japan.
- (lviii) **Zambian Kwacha.** “Zambian Kwacha” and “ZMK” each means the lawful currency of the Republic of Zambia.

(b) Principal Financial Centres

Unless otherwise specified in the relevant Final Terms, the principal financial centre with respect to each currency defined in this Product Condition 4 is the financial centre or centres indicated below with respect to such currency:

Currency	Principal Financial Centre(s)
Algerian Dinar	Algiers
Angolan Kwanza	Luanda
Argentine Peso	Buenos Aires
Australian Dollar	Sydney and Melbourne
Brazilian Real	Brasilia, Rio de Janeiro or São Paulo
Bulgarian Lev	Sofia
Canadian Dollar	Toronto
Chilean Peso	Santiago
Chinese Renminbi	Beijing
Colombian Peso	Bogota
Croatian Kuna	Zagreb
Czech Koruna	Prague
Danish Krone	Copenhagen
Ecuadorian Sucre	Guayaquil
Egyptian Pound	Cairo
Ghanaian Cedi	Accra
Hong Kong Dollar	Hong Kong
Hungarian Forint	Budapest
Indian Rupee	Mumbai
Indonesian Rupiah	Jakarta and Singapore
Israeli Shekel	Tel Aviv
Kazakhstan Tenge	Almaty
Kenyan Shilling	Nairobi
Korean Won	Seoul
Kuwaiti Dinar	Kuwait City
Latvian Lats	Riga
Lebanese Pound	Beirut
Lithuanian Litas	Vilnius
Malaysian Ringgit	Kuala Lumpur and Singapore
Mexican Peso	Mexico City
Moroccan Dirham	Rabat
New Zealand Dollar	Wellington and Auckland
Nigerian Naira	Lagos
Norwegian Krone	Oslo
Pakistani Rupee	Karachi
Peruvian Sol	Lima
Philippine Peso	Manila
Polish Zloty	Warsaw

Currency	Principal Financial Centre(s)
Romanian Leu	Bucharest
Russian Ruble	Moscow
Saudi Arabian Riyal	Riyadh
Singapore Dollar	Singapore
South African Rand	Johannesburg
Sri Lankan Rupee	Colombo
Sterling	London
Swedish Krona	Stockholm
Swiss Franc	Zurich
Taiwanese Dollar	Taipei
Thai Baht	Bangkok and Singapore
Tunisian Dinar	Tunis
Turkish Lira	Ankara
Ukrainian Hryvnia	Kiev
U.S. Dollar	New York
Venezuelan Bolivar	Caracas
Vietnamese Dong	Hanoi and Singapore
Yen	Tokyo
Zambian Kwacha	Lusaka

(c) Rate Source Options

Unless otherwise specified in the Final Terms, each Rate Source Option shall have the following meaning:

(A) Asia/Southeast Asia

(a) Australian Dollar

- (i) “**WM/Reuters USD/AUD**” or “**AUD1**” each means that the FX Rate for a Rate Calculation Date will be the U.S. Dollar/Australian Dollar spot rate, or closing spot rate, as the case may be, expressed as the amount of U.S. Dollars per one Australian Dollar, for settlement in two Business Days, calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT12 Page (or Thomson Reuters Screen WMRPSPOT12 Page, in the case of the closing rate) under the caption “**MID**” at the Specified Time on that Rate Calculation Date.
- (ii) “**ASFI USD/AUD**” or “**AUD2**” each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Australian Dollar bid and offer rates, expressed as the amount of U.S. Dollars per one Australian Dollar, for settlement in two Business Days, which appears on Thomson Reuters Screen ASFI Page under the column “**AUD**” at the Specified Time on that Rate Calculation Date.
- (iii) “**AUDFIX USD/AUD**” or “**AUD3**” each means that the FX Rate for a Rate Calculation Date will be the U.S. Dollar/Australian Dollar spot rate expressed as the amount of U.S. Dollars per one Australian Dollar, for settlement in two Business Days, which appears on Thomson Reuters Screen AUDFIX Page at the Specified Time on that Rate Calculation Date.

(b) **Chinese Renminbi**

- (i) “**CNY SAEC**” or “**CNY01**” each means that the FX Rate for a Rate Calculation Date will be the Chinese Renminbi/U.S. Dollar official fixing rate, expressed as the amount of Chinese Renminbi per one U.S. Dollar, for settlement in two Business Days, reported by the People’s Bank of China, Beijing, People’s Republic of China, which appears on the Reuters Screen “**SAEC**” Page opposite the symbol “**USDCNY**=“ at approximately 9:15 a.m., Beijing time, on that Rate Calculation Date.
- (ii) “**SFEMC CNY INDICATIVE SURVEY RATE**” or “**CNY02**” each means that the FX Rate for a Rate Calculation Date will be the Chinese Renminbi/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Chinese Renminbi per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC CNY Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Chinese Renminbi/U.S. Dollar markets for the purpose of determining the SFEMC CNY Indicative Survey Rate).
- (iii) “**Spot USD/CNY(HK) Fixing**” or “**CNHFIX**” each means the FX Rate for a Rate Calculation Date will be the Chinese Renminbi/U.S. Dollar official fixing rate, expressed as the amount of Chinese Renminbi per one U.S. Dollar, for settlement in two Business Days reported by the Treasury Markets Association which appears on Reuters page <CNHFIX> at approximately 11:15 a.m., Hong Kong time on that Rate Calculation Date.

(c) **Hong Kong Dollar**

- (i) “**WM/Reuters HKD/USD**” or “**HKD1**” each means that the FX Rate for a Rate Calculation Date will be the Hong Kong Dollar/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Hong Kong Dollars per one U.S. Dollar for settlement in two Business Days calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT12 Page (or Thomson Reuters Screen WMRSPOT12 Page, in the case of the closing rate) under the caption “**MID**” at the Specified Time on that Rate Calculation Date.
- (ii) “**HKDFIX HKD/USD**” or “**HKD2**” each means that the FX Rate for a Rate Calculation Date will be the Hong Kong Dollar/U.S. Dollar rate expressed as the amount of Hong Kong Dollars per one U.S. Dollar for settlement in two Business Days reported by the Treasury Markets Association, which appears on Thomson Reuters Screen HKDFIX Page at the Specified Time on that Rate Calculation Date.

(d) **Indian Rupee**

- (i) “**INR RBIB**” or “**INR01**” each means that the FX Rate for a Rate Calculation Date will be the Indian Rupee/U.S. Dollar reference rate, expressed as the amount of Indian Rupee per one U.S. Dollar, for settlement in two Business Days reported by the Reserve Bank of India, which appears on the Reuters Screen RBIB Page at approximately 12:30 p.m., Mumbai time, or as soon thereafter as practicable, on that Rate Calculation Date.
- (ii) “**SFEMC INR INDICATIVE SURVEY RATE**” or “**INR02**” each means that the FX Rate for a Rate Calculation Date will be the Indian Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indian Rupee per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Indian Rupee/U.S. Dollar markets for the purpose of determining the SFEMC INR Indicative Survey Rate).

(e) **Indonesian Rupiah**

- (i) **“IDR ABS” or “IDR01”** each means that the FX Rate for a Rate Calculation Date will be the Indonesian Rupiah/U.S. Dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Business Days, reported by the Association of Banks in Singapore, which appears on the Telerate Page 50157 to the right of the caption **“Spot”** under the column **“IDR”** at approximately 11:30 a.m., Singapore time, on that Rate Calculation Date.
 - (ii) **“SFEMC IDR INDICATIVE SURVEY RATE” or “IDR02”** each means that the FX Rate for a Rate Calculation Date will be the Indonesian Rupiah/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indonesian Rupiah per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC IDR Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Indonesian Rupiah/U.S. Dollar markets for the purpose of determining the SFEMC IDR Indicative Survey Rate).
- (f) **Japanese Yen**
- (i) **“WM/Reuters JPY/USD” or “JPY1”** each means that the FX Rate for a Rate Calculation Date will be the Yen/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Yen per one U.S. Dollar for settlement in two Business Days calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT12 Page (or Thomson Reuters Screen WMRSPOT12 Page, in the case of the closing rate) under the caption **“MID”** at the Specified Time on that Rate Calculation Date.
 - (ii) **“TKFE JPY/USD” or “JPY2”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the Yen/U.S. Dollar bid and offer rates, expressed as the amount of Yen per one U.S. Dollar for settlement in two Business Days, which appears on the Thomson Reuters Screen TKFE Page under the column **“DLR/YEN”** at the Specified Time on that Rate Calculation Date.
 - (iii) **“TKFE2 JPY/USD” or “JPY3”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the Yen/U.S. Dollar bid and offer rates expressed as the amount of Yen per one U.S. Dollar for settlement in two Business Days, which appears on Thomson Reuters Screen TKFE2 Page under the column **“DLR/YEN”** at the Specified Time on that Rate Calculation Date.
 - (iv) **“TKYFX JPY/USD” or “JPY4”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the Yen/U.S. Dollar bid and offer rates, expressed as the amount of Yen per one U.S. Dollar for settlement in two Business Days, which appears on the Reuters Screen TKYFX Page under the column **“DLR/YEN”** at the Specified Time on that Rate Calculation Date.
- (g) **Korean Won**
- (i) **“KRW KFTC18” or “KRW02”** each means that the FX Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar market average rate, expressed as the amount of Korean Won per one U.S. Dollar, for settlement in two Business Days reported by the Korea Financial Telecommunications and Clearing Corporation, which appears on the Reuters Screen KFTC18 Page to the right of the caption **“USD Today”** that is available at approximately 3:30 p.m., Seoul time, on the Rate Calculation Date or as soon thereafter as practicable.
 - (ii) **“KRW TELERATE 45644” or “KRW03”** each means that the FX Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar market average rate, expressed as the amount of Korean Won per one U.S. Dollar, for settlement in two Business Days, reported by the Korea Financial Telecommunications and Clearing Corporation, which appears on Telerate Page 45644 to the right of the caption **“USD Today”** that is available at approximately 3:30 p.m., Seoul time, on the Rate Calculation Date or as soon thereafter as practicable.
 - (iii) **“SFEMC KRW INDICATIVE SURVEY RATE” or “KRW04”** each means that the FX Rate for a Rate Calculation Date will be the Korean Won/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount

of Korean Won per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC's website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC KRW Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Korean Won/U.S. Dollar markets for the purpose of determining the SFEMC KRW Indicative Survey Rate).

(h) **Malaysian Ringgit**

(i) “**MYR ABS**” or “**MYR01**” each means that the FX Rate for a Rate Calculation Date will be the Malaysian Ringgit/U.S. Dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Malaysian Ringgit per one U.S. Dollar, for settlement in two Business Days, reported by the Association of Banks in Singapore, which appears on the Telerate Page 50157 to the right of the caption “**Spot**” under the column “**MYR**” at approximately 11:30 a.m., Singapore time, on that Rate Calculation Date.

(ii) “**SFEMC MYR INDICATIVE SURVEY RATE**” or “**MYR02**” each means that the FX Rate for a Rate Calculation Date will be the Malaysian Ringgit/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Malaysian Ringgit per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC's website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC MYR Indicative Survey Methodology (which means a methodology, dated as of 15 July 2005, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Malaysian Ringgit/U.S. Dollar markets for the purpose of determining the SFEMC MYR Indicative Survey Rate).

(i) **New Zealand Dollar**

(i) “**WM/Reuters USD/NZD**” or “**NZD1**” each means that the FX Rate for a Rate Calculation Date will be the U.S. Dollar/New Zealand Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of U.S. Dollars per one New Zealand Dollar for settlement in two Business Days calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT13 Page (or Thomson Reuters Screen WMRSPOT13 Page, in the case of the closing rate) under the caption “**MID**” at the Specified Time on that Rate Calculation Date.

(ii) “**ASFI USD/NZD**” or “**NZD2**” each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/New Zealand Dollar bid and offer rates expressed as the amount of U.S. Dollars per one New Zealand Dollar for settlement in two Business Days, which appears on Thomson Reuters Screen ASFI Page under the column “**NZD**” at the Specified Time on that Rate Calculation Date.

(j) **Pakistani Rupee**

(i) “**PKR SBPK**” or “**PKR01**” each means that the FX Rate for a Rate Calculation Date will be the Pakistani Rupee/U.S. Dollar reference rate expressed as the amount of Pakistani Rupees per one U.S. Dollar, for settlement in two Business Days, reported by the State Bank of Pakistan (www.sbp.org.pk) at approximately 2:30 p.m., Karachi time, on that Rate Calculation Date.

(ii) “**SFEMC PKR INDICATIVE SURVEY RATE**” or “**PKR02**” each means that the FX Rate for a Rate Calculation Date will be the Pakistani Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Pakistani Rupees per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC's website (www.sfemc.org) at approximately 3:30 p.m. Singapore time, or as soon thereafter as practicable, on that Rate Calculation Date. The FX Rate shall be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC PKR Indicative Survey Methodology (which means a methodology, dated as of 14 July 2008, as amended from time to time, for a centralised industry-wide

survey of financial institutions that are active participants in the Pakistani Rupee/U.S. Dollar markets for the purpose of determining the SFEMC PKR Indicative Survey Rate).

(k) **Philippine Peso**

- (i) “**PHP PHPESO**” or “**PHP01**” each means that the FX Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day, reported by the Philippine Dealing system, which appears on the Reuters Screen PHPESO Page to the right of the caption “AM WT AVE” at approximately 12:30 p.m., Manila time, on that Rate Calculation Date.
- (ii) “**PHP TELERATE 2920**” or “**PHP02**” each means that the FX Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day, reported by the Philippine Dealing System, which appears on the Telerate Page 2920 to the right of the caption “AM WT AVE” at approximately 12:30 p.m., Manila time, on that Rate Calculation Date.
- (iii) “**PHP TELERATE 15439**” or “**PHP03**” each means that the FX Rate for a Rate Calculation date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day, reported by the Philippine Dealing System, which appears on the Telerate Page 15439 to the right of the caption “AM WT AVE” at approximately 12:30 p.m., Manila time, on that Rate Calculation Date.
- (iv) “**PHP PHPES01**” or “**PHP04**” each means that the FX Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day, reported by the Philippine Dealing System, which appears on the Reuters Screen PHPES01 Page to the right of the caption “AM WT AVE” at approximately 12:30 p.m., Manila time, on that Rate Calculation Date.
- (v) “**SFEMC PHP INDICATIVE SURVEY RATE**” or “**PHP05**” each means that the FX Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC PHP Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Philippine Peso/U.S. Dollar markets for the purpose of determining the SFEMC PHP Indicative Survey Rate).
- (vi) “**PHP PDSPEO**” or “**PHP06**” each means that the FX Rate for a Rate Calculation Date will be the Philippine Peso/U.S. Dollar morning weighted average rate for that Rate Calculation Date, expressed as the amount of Philippine Pesos per one U.S. Dollar, for settlement in one Business Day, reported by the Philippine Dealing System PDEX, which appears on the Reuters Screen PDSPEO Page to the right of the caption “AM WT AVE” at approximately 11:30 a.m., Manila time, or as soon thereafter as practicable, on that Rate Calculation Date.

(l) **Singapore Dollar**

- (i) “**WM/Reuters SGD/USD**” or “**SGD1**” each means that the FX Rate for a Rate Calculation Date will be the Singapore Dollar/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Singapore Dollars per one U.S. Dollar for settlement in two Business Days calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT13 Page (or Thomson Reuters Screen WMRSPOT13 Page, in the case of the closing rate) under the caption “**MID**” at the Specified Time on that Rate Calculation Date.
- (ii) “**ABS SGD/USD**” or “**SGD2**” each means the FX Rate for a Rate Calculation Date will be the Singapore Dollar/U.S. Dollar spot rate, expressed as the amount of Singapore Dollars per one U.S. Dollar, for settlement

in two Business Days, reported by the Association of Banks in Singapore, which appears on Thomson Reuters Screen ABSIRFIX01 Page under the column “SGD” and in the row “SPOT”, at the Specified Time on that Rate Calculation Date.

(m) **Taiwanese Dollar**

- (i) “**TWD TELERATE 6161**” or “**TWD01**” each means that the FX Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar spot rate, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days, reported by the Taipei Forex Inc., which appears on the Telerate Page 6161 under the heading “**Spot**” as of 11:00 a.m., Taipei time, on that Rate Calculation Date, or, if no rate appears as of 11:00 a.m., Taipei time, the rate that first appears in any of the next succeeding 15-minute intervals after such time, up to and including 12:00 noon, Taipei time, on that Rate Calculation Date.
- (ii) “**TWD TAIFX1**” or “**TWD03**” each means that the FX Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar spot rate, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days reported by the Taipei Forex Inc., which appears on the Reuters Screen TAIFX1 Page under the heading “**Spot**” as of 11:00 a.m., Taipei time, on that Rate Calculation Date, or, if no rate appears as of 11:00 a.m., Taipei time, the rate that first appears in any of the next succeeding 15-minute intervals after such time, up to and including 12:00 noon, Taipei time on that Rate Calculation Date.
- (iii) “**SFEMC TWD INDICATIVE SURVEY RATE**” or “**TWD04**” each means that the FX Rate for a Rate Calculation Date will be the Taiwanese Dollar/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Taiwanese Dollars per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC TWD Indicative Survey Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Taiwanese Dollar/U.S. Dollar markets for the purpose of determining the SFEMC TWD Indicative Survey Rate).

(n) **Vietnamese Dong**

- (i) “**VND ABS**” or “**VND01**” each means that the FX Rate for a Rate Calculation Date will be the Vietnamese Dong/U.S. Dollar spot rate at 11:00 a.m., Singapore time, expressed as the amount of Vietnamese Dong per one U.S. Dollar, for settlement in two Business Days, reported by the Association of Banks in Singapore, which appears on the Reuters Screen ABSIRFIX01 Page to the right of the caption “**Spot**” under the column “**VND**” at approximately 11:30 a.m., Singapore time, on that Rate Calculation Date.
- (ii) “**VND FX**” or “**VND02**” each means that the FX Rate for a Rate Calculation Date will be the Vietnamese Dong/U.S. Dollar spot rate expressed as the amount of Vietnamese Dong per one U.S. Dollar, for settlement in two Business Days, which appears on Reuters Screen VNDFIX=VN Page under the caption “**Spot**” and to the right of the caption “**Average**” at approximately 11:00 a.m., Hanoi time, on that Rate Calculation Date.
- (iii) “**SFEMC VND INDICATIVE SURVEY RATE**” or “**VND03**” each means that the FX Rate for a Rate Calculation Date will be the Vietnamese Dong/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Vietnamese Dong per one U.S. Dollar, for settlement in two Business Days, as published on SFEMC’s website (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon as thereafter as practicable, on that Rate Calculation Date. The FX Rate shall be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC VND Indicative Survey Methodology (which means a methodology, dated as of 14 July 2008, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Vietnamese Dong/U.S. Dollar markets for the purpose of determining the SFEMC VND Indicative Survey Rate).

*(B) Central and Eastern Europe***(a) Hungarian Forint**

- (i) “**HUF USD Official Rate**” or “**HUF01**” each means that the FX Rate for a Rate Calculation Date will be the Hungarian Forint/U.S. Dollar official rate for U.S. Dollars, expressed as the amount of Hungarian Forints per one U.S. Dollar, for settlement in two Business Days, calculated by the National Bank of Hungary, which appears on the Reuters Screen HUFE page at approximately 12:00 noon, Budapest time, on that Rate Calculation Date.
- (ii) “**HUF EUR Official Rate**” or “**HUF02**” each means that the FX Rate for a Rate Calculation Date will be the Hungarian Forint/Euro official rate for Euros, expressed as the amount of Hungarian Forints per one Euro, for settlement in two Business Days, calculated by the National Bank of Hungary, which appears on the Reuters Screen HUFE page at approximately 12:00 noon, Budapest time, on that Rate Calculation Date.

(b) Kazakhstan Tenge

- (i) “**KZT KASE**” or “**KZT01**” each means that the FX Rate for a Rate Calculation Date will be the Kazakhstan Tenge/U.S. Dollar weighted average rate, expressed as the amount of Kazakhstan Tenge per one U.S. Dollar, for settlement on the same Business Day reported by the Kazakhstan Stock Exchange (www.kase.kz) at approximately 11:00 am, Almaty time, on that Rate Calculation Date.
- (ii) “**EMTA KZT INDICATIVE SURVEY RATE**” or “**KZT02**” each means that the FX Rate for a Rate Calculation Date will be the Kazakhstan Tenge/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Kazakhstan Tenge per one U.S. Dollar, for settlement on the same Business Day, as published on EMTA’s website (www.emta.org) at approximately 1:00 p.m., Almaty time, or as soon thereafter as practicable, on that Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA KZT Indicative Survey Methodology (which means a methodology, dated as of 16 March 2009, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Kazakhstan Tenge/U.S. Dollar markets for the purpose of determining the EMTA KZT Indicative Survey Rate).

(c) Polish Zloty

- (i) “**PLZ NBPQ**” or “**PLZ01**” each means that the FX Rate for a Rate Calculation Date will be the Polish Zloty/U.S. Dollar fixing rate, expressed as the amount of Polish Zloty per one U.S. Dollar, for settlement in two Business Days, reported by the National Bank of Poland, which appears on the Reuters Screen NBPQ Page at approximately 11:00 a.m., Warsaw time, on that Rate Calculation Date.
- (ii) “**PLZ NBPR**” or “**PLZ02**” each means that the FX Rate for a Rate Calculation Date will be the Polish Zloty/U.S. Dollar mid-rate, expressed as the amount of Polish Zloty per one U.S. Dollar, for settlement in two Business Days, reported by the National Bank of Poland, which appears on the Reuters Screen NBPR Page below the caption “Central Parity” at approximately 11:00 a.m., Warsaw time, on that Rate Calculation Date.

(d) Russian Ruble

- (i) “**RUB MICEXFRX**” or “**RUB01**” each means that the FX Rate for a Rate Calculation Date will be the Russian Ruble/U.S. Dollar Specified Rate, expressed as the amount of Russian Rubles per one U.S. Dollar, for settlement on the same day, reported by the Moscow Interbank Currency Exchange, which appears on the Reuters Screen MICEXFRX Page as of 10:30 a.m., Moscow time, on that Rate Calculation Date.
- (ii) “**RUB MMVB**” and “**RUB02**” each means that the FX Rate for a Rate Calculation Date will be the Russian Ruble/U.S. Dollar Specified Rate, expressed as the amount of Russian Rubles per one U.S. Dollar, for settlement on the same day reported by the Moscow Interbank Currency Exchange which appears on the Reuters Screen MMVB Page as of 10:30 a.m., Moscow time, on that Rate Calculation Date.

- (iii) **“RUB CME-EMTA”** and **“RUB03”** each means that the FX Rate for a Rate Calculation Date will be the Russian Ruble/U.S. Dollar Specified Rate, expressed as the amount of Russian Rubles per one U.S. Dollar, for settlement in one Business Day, calculated by the Chicago Mercantile Exchange (the **“CME”**) and as published on the CME’s website, which appears on the Reuters Screen EMTA Page, at approximately 1:30 p.m., Moscow time, on that Rate Calculation Date. The FX Rate shall be calculated by the CME pursuant to the Chicago Mercantile Exchange/EMTA, Inc. Daily Russian Ruble Per U.S. Dollar Reference Rate Methodology (which means a methodology, effective as of 16 June 2005, as amended from time to time, for a centralised industry-wide survey of financial institutions in Russia that are active participants in the Russian Ruble/U.S. Dollar spot market for the purpose of determining the RUB CME-EMTA Rate).
- (iv) **“EMTA RUB INDICATIVE SURVEY RATE”** and **“RUB04”** each means that the FX Rate for a Rate Calculation Date will be the Russian Ruble/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Russian Rubles per one U.S. Dollar, for settlement in one Business Day, as published on EMTA’s web site (www.emta.org) at approximately 2:45 p.m., Moscow time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA RUB Indicative Survey Methodology (which means a methodology dated as of 16 June 2005, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Russian Ruble/U.S. Dollar spot market for the purpose of determining the EMTA RUB Indicative Survey Rate).
- (e) **Ukrainian Hryvnia**
 - (i) **“UAH GFI”** or **“UAH01”** each means that the FX Rate for a Rate Calculation Date will be the Ukrainian Hryvnia/U.S. Dollar spot rate, expressed as the amount of Ukrainian Hryvnia per one U.S. Dollar, for settlement on the same Business Day, reported by GFI Brokers on Thomson Reuters Page GFIU by 9:30 am, London time, on that Rate Calculation Date.
 - (ii) **“EMTA UAH INDUSTRY SURVEY RATE”** or **“UAH02”** each means that the FX Rate for a Rate Calculation Date will be the Ukrainian Hryvnia/U.S. Dollar Specified Rate for U.S. Dollars expressed as the amount of Ukrainian Hryvnia per one U.S. Dollar, for settlement on the same Business Day, calculated by Thomson Reuters pursuant to the EMTA UAH Industry Survey Methodology, which rate appears on EMTA’s website (www.emta.org) and on Thomson Reuters Page EMTAUAHFIX at approximately 11:30 am, Kiev time, on that Rate Calculation Date. The **“EMTA UAH Industry Survey Methodology”**, as used herein, means the methodology, dated as of 16 March 2009, for a centralised industry-wide survey of financial institutions in the Ukrainian Hryvnia/U.S. Dollar spot market for the purposes of determining the EMTA UAH Industry Survey Rate.
 - (iii) **“EMTA UAH INDICATIVE SURVEY RATE”** or **“UAH03”** each means that the FX Rate for a Rate Calculation Date will be the Ukrainian Hryvnia/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Ukrainian Hryvnia per one U.S. Dollar, for settlement on the same Business Day, as published on EMTA’s website (www.emta.org) at approximately 2:00 p.m., Kiev time, or as soon thereafter as practicable, on that Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA UAH Indicative Survey Methodology (which means a methodology, dated as of 16 March 2009, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Ukrainian Hryvnia/U.S. Dollar markets for the purpose of determining the EMTA UAH Indicative Survey Rate).
- (C) *Americas*
 - (a) **Argentine Peso**
 - (i) **“ARS BNAR”** or **“ARS01”** each means that the FX Rate for a Rate Calculation Date will be the Argentine Peso/U.S. Dollar Specified Rate, expressed as the amount of Argentine Pesos per one U.S. Dollar, for settlement on the same day, which appears on the Reuters Screen BNAR Page at the close of business in Buenos Aires on that Rate Calculation Date.

- (ii) “**EMTAARS INDUSTRY SURVEY RATE**” or “**ARS03**” each means that the FX Rate for a Rate Calculation Date will be the Argentine Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Argentine Pesos per one U.S. Dollar, for settlement on the same day, as published on EMTA’s web site (www.emta.org) at approximately 1:00 p.m. (Buenos Aires time), or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA ARS Industry Survey Methodology (which means a methodology, dated as of 2 January 2003, as amended from time to time, for a centralised industry-wide survey of financial institutions in Buenos Aires that are active participants in the Argentine Peso/U.S. Dollar spot markets for the purpose of determining the EMTA ARS Industry Survey Rate).
- (iii) “**EMTA ARS INDICATIVE SURVEY RATE**” or “**ARS04**” each means that the FX Rate for a Rate Calculation Date will be the Argentine Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Argentine Pesos per one U.S. Dollar, for settlement on the same day, as published on EMTA’s web site (www.emta.org) at approximately 1:00 p.m. (Buenos Aires time), or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA ARS Indicative Survey Methodology (which means a methodology, dated as of 2 January 2003, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Argentine Peso/U.S. Dollar markets for the purpose of determining the EMTA ARS Indicative Survey Rate).
- (b) **Brazilian Real**
- (i) “**BRL BRBY**” or “**BRL01**” each means that the FX Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar interbank rate, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days, which appears on the Reuters Screen BRBY Page to the right of the caption “Interbank”, below the heading “Last” at the Specified Time on that Rate Calculation Date.
- (ii) “**BRL OFFICIAL RATE**” or “**BRL02**” each means the FX Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar official rate, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days, reported by the Banco Central do Brasil in the “Diário Oficial da União” on the first Business Day following that Rate Calculation Date.
- (iii) “**BRL PCOT**” or “**BRL03**” each means that the FX Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar offered rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days, reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PCOT-390, Option 3, at the Specified Time on that Rate Calculation Date.
- (iv) “**BRL PTAX**” or “**BRL09**” each means that the FX Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar offered rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 (“**Consulta de Cambio**” or Exchange Rate Inquiry), Option 5 (“**Cotacões para Contabilidade**” or “**Rates for Accounting Purposes**”) by approximately 1:15 p.m., São Paulo time, on that Rate Calculation Date.
- (v) “**BRL PTAX BRFR**” or “**BRL10**” each means that the FX Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar offered rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 (“**Consulta de Cambio**” or “**Exchange Rate Inquiry**”), Option 5 (“**Cotacoes para Contabilidade**” or “**Rates for Accounting Purposes**”), which appears on Reuters Screen BRFR Page under the caption “Dolar PTAX” at approximately 8:30 a.m., São Paulo time, on the first Business Day following that Rate Calculation Date.
- (vi) “**BRL INDUSTRY SURVEY RATE**” or “**BRL11**” each means that the FX Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar offered rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days, calculated by the Chicago Mercantile Exchange

pursuant to the BRL Methodology which appears on the Reuters Screen EMTA Page at approximately 12:30 p.m. São Paulo time, or as soon thereafter as practicable, on the first Business Day following the Rate Calculation Date. “**BRL Methodology**”, as used herein, means the methodology dated 8 November 1999, establishing a centralised industry-wide survey of financial institutions in Brazil that are active participants in the Brazilian Real/U.S. Dollar spot markets for the purpose of determining the BRL Industry Survey Rate. (The BRL Methodology is available on the websites of The Foreign Exchange Committee and EMTA.)

- (vii) “**EMTA BRL INDUSTRY SURVEY RATE**” or “**BRL12**” each means that the FX Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days, as published on EMTA’s web site (www.emta.org) at approximately 3:45 p.m. (São Paulo time), or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA BRL Industry Survey Methodology (which means a methodology, dated as of 1 March 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions in Brazil that are active participants in the Brazilian Real/U.S. Dollar spot markets for the purpose of determining the EMTA BRL Industry Survey Rate).
- (viii) “**EMTA BRL INDICATIVE SURVEY RATE**” or “**BRL13**” each means that the FX Rate for a Rate Calculation Date will be the Brazilian Real/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Brazilian Reais per one U.S. Dollar, for settlement in two Business Days, as published on EMTA’s web site (www.emta.org) at approximately 12:00 p.m. (São Paulo time), or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA BRL Indicative Survey Methodology (which means a methodology, dated as of 1 March 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Brazilian Real/U.S. Dollar markets for the purpose of determining the EMTA BRL Indicative Survey Rate).
- (c) **Canadian Dollar**
 - (i) “**WM/Reuters CAD/USD**” or “**CAD1**” each means that the FX Rate for a Rate Calculation Date will be the Canadian Dollar/U.S. Dollar spot rate, or closing spot rate, as the case may be, expressed as the amount of Canadian Dollars per one U.S. Dollar for settlement in one Business Day calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT09 Page (or Thomson Reuters Screen WMRPSPOT09 Page, in the case of the closing rate) under the caption “**MID**” at the Specified Time on that Rate Calculation Date.
- (d) **Chilean Peso**
 - (i) “**CLP BCCHILG**” or “**CLP01**” each means that the FX Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar observado rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day, reported by the Banco Central de Chile, which appears on the Reuters Screen BCCHILG Page under the caption “**OBSERVADO**” at approximately 10:00 a.m., Santiago time, on the first Business Day following that Rate Calculation Date.
 - (ii) “**CLP INFORMAL**” or “**CLP02**” each means that the FX Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar informal rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day, of the informal exchange market, which appears on the Reuters Screen CLPP= Page at the Specified Time on that Rate Calculation Date.
 - (iii) “**CLP INTERBANK**” or “**CLP03**” each means that the FX Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar interbank rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day, reported by the Banco Central de Chile for the formal exchange market which appears on the Reuters Screen CLP= Page at the Specified Time on that Rate Calculation Date.
 - (iv) “**CLP OBSERVADO**” or “**CLP04**” each means that the FX Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar observado rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for

settlement on the same day, reported by the Banco Central de Chile, which appears on the Reuters Screen CLPOB= Page below the caption “Value” at approximately 10:00 a.m., Santiago time, on the first Business Day following that Rate Calculation Date.

- (v) “**CLP OFFICIAL RATE**” or “**CLP08**” each means that the FX Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar official rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, calculated in accordance with Title I, Chapter 1, Number 6 of the Compendium of International Exchange Norms of the Banco Central de Chile and published by the Banco Central de Chile at the Specified Time, if any, on the first Business Day following that Rate Calculation Date.
- (vi) “**CLP TELERATE 38942**” or “**CLP09**” each means that the FX Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar observado rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day reported by the Banco Central de Chile which appears on the Telerate Page 38942 below the caption “Dolar Observado” at approximately 10:00 a.m., Santiago time, on the first Business Day following that Rate Calculation Date.
- (vii) “**CLP DÓLAR OBS**” or “**CLP10**” each means that the FX Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar observado rate, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement in one Business Day, reported by the Banco Central de Chile (www.bcentral.cl) as the “**Dólar Observado**” (Dollar Observado) rate by not later than 10:30 a.m., Santiago time, on the first Business Day following that Rate Calculation Date.
- (viii) “**EMTA CLP INDICATIVE SURVEY RATE**” or “**CLP11**” each means that the FX Rate for a Rate Calculation Date will be the Chilean Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Chilean Pesos per one U.S. Dollar, for settlement on the same day, as published on EMTA’s web site (www.emta.org) at approximately 11:00 a.m., Santiago time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA CLP Indicative Survey Methodology (which means a methodology, dated as of 1 August 2006, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Chilean Peso/U.S. Dollar markets for the purpose of determining the EMTA CLP Indicative Survey Rate).
- (e) **Colombian Peso**
 - (i) “**COP CO/COL03**” or “**COP01**” each means that the FX Rate for a Rate Calculation Date will be the Colombian Peso/U.S. Dollar fixing rate, expressed as the amount of Colombian Pesos per one U.S. Dollar, for settlement on the same day, reported by the Colombian Banking Superintendency, which appears on the Reuters Screen CO/COL03 Page to the right of the caption “**TCRM**” (“**Tasa de Cierre Representativo del Mercado**” or closing market price) below the heading “Hoy” at approximately 9:30 a.m., Bogota time, on the first Business Day following that Rate Calculation Date.
 - (ii) “**COP TRM**” or “**COP02**” each means that the FX Rate for a Rate Calculation Date will be the Colombian Peso/U.S. Dollar fixing rate, expressed as the amount of Colombian Pesos per one U.S. Dollar, for settlement on the same day, reported by the Colombian Financial Superintendency (www.banrep.gov.co) as the “**Tasa Representativa del Mercado**” (TRM) (also referred to as the “**Tasa de Cambio Representativa del Mercado**” (TCRM)) by not later than 10:30 a.m., Bogotá time, on the first Business Day following that Rate Calculation Date.
 - (iii) “**EMTA COP INDICATIVE SURVEY RATE**” or “**COP03**” each means that the FX Rate for a Rate Calculation Date will be the Colombian Peso/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Colombian Pesos per one U.S. Dollar, for settlement on the same day, as published on EMTA’s web site (www.emta.org) at approximately 11:30 a.m., Bogotá time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA COP Indicative Survey Methodology (which means a methodology, dated as of 1 August 2006, as amended from time to time, for a centralised industry-wide survey of financial

institutions that are active participants in the Colombian Peso/U.S. Dollar markets for the purpose of determining the EMTA COP Indicative Survey Rate).

(f) **Ecuadorian Sucre**

- (i) “**ECS DNRP**” or “**ECS01**” each means that the FX Rate for a Rate Calculation Date will be the Ecuadorian Sucre/U.S. Dollar Specified Rate, expressed as the amount of Ecuadorian Sucres per one U.S. Dollar, for settlement in one Business Day, which appears on Reuters Screen DNRP Page below the caption “Official” at 12:00 noon, Guayaquil time, on that Rate Calculation Date.
- (ii) “**ECS ECBCE02**” or “**ECS02**” each means that the FX Rate for a Rate Calculation Date will be the Ecuadorian Sucre/U.S. Dollar Specified Rate, expressed as the amount of Ecuadorian Sucres per one U.S. Dollar, for settlement in one Business Day, which appears on Reuters Screen ECBCE02 Page at the Specified Time on that Rate Calculation Date.

(g) **Mexican Peso**

- (i) “**MXP BNMX**” or “**MXP01**” each means that the FX Rate for a Rate Calculation Date will be the Mexican Peso/U.S. Dollar fixing rate, expressed as the amount of Mexican Pesos per one U.S. Dollar, for settlement in two Business Days, reported by Banco de Mexico, which appears on the Reuters Screen BNMX Page opposite the caption “Fix” at the close of business in Mexico City on that Rate Calculation Date.
- (ii) “**MXP FIXING RATE**” or “**MXP02**” each means that the FX Rate for a Rate Calculation Date will be the Mexican Peso/U.S. Dollar fixing rate, expressed as the amount of Mexican Pesos per one U.S. Dollar, for settlement in two Business Days, which is published by Banco de Mexico in the Official Gazette of the Federation pursuant to the “Disposiciones aplicables a la determinacion del tipo de Câmbio para solventar obligaciones denominadas en moneda extranjera pagaderas en la Republica Mexicana” (Rules applicable to determine the exchange rate to pay obligations denominated in foreign currency payable in Mexico) on the first Business Day following that Rate Calculation Date.
- (iii) “**MXP MEX01**” or “**MXP03**” each means that the FX Rate for a Rate Calculation Date will be the Mexican Peso/U.S. Dollar fixing rate, expressed as the amount of Mexican Pesos per one U.S. Dollar, for settlement in two Business Days, reported by Banco de Mexico, which appears on Reuters Screen MEX01 Page under the heading “MXNFIX=RR”, at the close of business in Mexico City on that Rate Calculation Date.
- (iv) “**MXP PUBLISHED**” or “**MXP04**” each means the FX Rate for a Rate Calculation Date will be the Mexican Peso/U.S. Dollar fixing rate, expressed as the amount of Mexican Pesos per one U.S. Dollar, for settlement in two Business Days, published by the Bolsa Mexicana de Valores, S.A. de C.V. (as established in Section 2 of the “Resolution concerning the exchange rate applicable for calculating the Mexican Peso equivalent of principal and interest of Mexican Treasury Notes denominated in foreign currency and payable in Mexican Pesos” published in the Di ario Oficial de la Federacion on 11 November 1991) in the Movimiento Di ario del Mercado de Valores de la Bolsa Mexicana de Valores, S.A. de C.V. under the heading “Movimiento Di ario del Mercado de Valores” on that Rate Calculation Date.

(h) **Peruvian Sol**

- (i) “**PEN PDSB**” or “**PEN01**” each means that the FX Rate for a Rate Calculation Date will be the Peruvian Sol/U.S. Dollar Specified Rate, expressed as the amount of Peruvian Sols per one U.S. Dollar, for settlement on that same day, which appears on the Reuters Screen PDSB Page in the row entitled “INTRB” and below the caption “ULT/REUTERS” at approximately 12:00 noon, Lima time, on that Rate Calculation Date.
- (ii) “**PEN PDSC**” or “**PEN02**” each means that the FX Rate for a Rate Calculation Date will be the Peruvian Sol/U.S. Dollar interbank rate expressed as the amount of Peruvian Sols per one U.S. Dollar, for settlement on that same day, which appears on the Reuters Screen PDSC Page below the caption “INTERBANCARIO” as of 11:00 a.m., Lima time, on that Rate Calculation Date.

- (iii) “**PEN WT AVE**” or “**PEN03**” each means that the FX Rate for a Rate Calculation Date will be the midpoint of the Peruvian Sol/U.S. Dollar closing weighted average bid and offer (“**compra y venta**”) exchange rates expressed as the amount of Peruvian New Soles per one U.S. Dollar for settlement on the same day, reported by the Superintendencia de Banca, Seguros y AFP (www.sbs.gob.pe) of the Republic of Peru at approximately 5:00 p.m., Lima time, on that Rate Calculation Date.
- (iv) “**EMTA PEN INDICATIVE SURVEY RATE**” or “**PEN04**” each means that the FX Rate for a Rate Calculation Date will be the Peruvian Sol/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Peruvian Soles per one U.S. Dollar, for settlement on the same day, as published on EMTA’s web site (www.emta.org) at approximately 11:00 a.m., Lima time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA PEN Indicative Survey Methodology (which means a methodology, dated as of 1 August 2006, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Peruvian Sol/U.S. Dollar markets for the purpose of determining the EMTA PEN Indicative Survey Rate).
- (v) “**PEN INTERBANK AVE**” or “**PEN05**” each means that the FX Rate for a Rate Calculation Date will be the Peruvian Sol/U.S. Dollar average exchange rate in the interbank market expressed as the amount of Peruvian New Soles per one U.S. Dollar for settlement on the same day reported by the Banco Central de Reserva del Peru (www.bcrp.gob.pe) as the “Tipo de Cambio Interbancario Promedio” at approximately 2:00 p.m., Lima time, on that Rate Calculation Date.
- (i) **Venezuelan Bolivar**
- (i) “**VEF FIX**” or “**VEF01**” each means that the FX Rate for a Rate Calculation Date will be the midpoint of the Venezuelan Bolivar/U.S. Dollar Tipo de Câmbio De Referencia buying and selling rates, expressed as the amount of Venezuelan Bolivar per one U.S. Dollar, for settlement in two Business Days reported by the Banco Central de Venezuela (www.bcv.org.ve) at approximately 5:00 p.m., Caracas time, on that Rate Calculation Date.
- (D) *Middle East/Africa*
- (a) **Egyptian Pound**
- (i) “**EGP FEMF**” or “**EGP01**” each means that the FX Rate for a Rate Calculation Date will be the Egyptian Pound/U.S. Dollar weighted average spot rate, expressed as the amount of Egyptian Pounds per one U.S. Dollar, for settlement in two Business Days, reported by the Central Chamber for Foreign Exchange Statistics of the Central Bank of Egypt, which appears on Thomson Reuters Screen FEMF Page underneath the caption “**Val Spot**” at approximately 12:00 noon, Cairo time, or, if no rate appears at 12:00 noon, Cairo time, on that Rate Calculation Date, then the rate that appears at 1:00 p.m., Cairo time, on that Rate Calculation Date, or, if no rate appears at either 12:00 noon or 1:00 p.m., Cairo time, on that Rate Calculation Date, then the rate that appears at 2:00 p.m., Cairo time, on that Rate Calculation Date.
- (ii) “**EMTA EGP INDICATIVE SURVEY RATE**” or “**EGP02**” each means that the FX Rate for a Rate Calculation Date will be the Egyptian Pound/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Egyptian Pounds per one U.S. Dollar, for settlement in two Business Days, as published on EMTA’s website (www.emta.org) at approximately 4:00 p.m., Cairo time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA EGP Indicative Survey Rate Methodology (which means a methodology dated as of 24 May 2010, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Egyptian Pound/U.S. Dollar markets for the purpose of determining the EMTA EGP Indicative Survey Rate).
- (b) **Israeli Shekel**

- (i) “**ILS BOIJ**” or “**ILS01**” each means that the FX Rate for a Rate Calculation Date will be the Israeli Shekel/U.S. Dollar fixing rate, expressed as the amount of Israeli Shekels per one U.S. Dollar, for settlement in two Business Days, reported by the Bank of Israel, which appears on the Reuters Screen BOIJ Page opposite the symbol “USD” and below the caption “REP RATES” at approximately 3:15 p.m., Tel Aviv time, on that Rate Calculation Date.
- (ii) “**ILS FXIL**” or “**ILS02**” each means that the FX Rate for a Rate Calculation Date will be the Israeli Shekel/U.S. Dollar Specified Rate, expressed as the amount of Israeli Shekels per one U.S. Dollar, for settlement in two Business Days, which appears on the Reuters Screen FXIL Page at the Specified Time, on that Rate Calculation Date.
- (c) **Lebanese Pound**
- (i) “**LBP BDLX**” or “**LBP01**” each means that the FX Rate for a Rate Calculation Date will be the Lebanese Pound/U.S. Dollar Specified Rate, expressed as the amount of Lebanese Pounds per one U.S. Dollar, for settlement in two Business Days, which appears on the Reuters Screen BDLX Page as of 12:00 noon, Beirut time, on that Rate Calculation Date.
- (d) **Moroccan Dirham**
- (i) “**MAD OFFICIAL RATE**” or “**MAD01**” each means that the FX Rate for a Rate Calculation Date will be the Moroccan Dirham/U.S. Dollar Specified Rate, expressed as the amount of Moroccan Dirham per one U.S. Dollar, for settlement in two Business Days, reported by the Central Bank of Morocco as of 1:00 p.m., Rabat time, on that Rate Calculation Date.
- (e) **Nigerian Naira**
- (i) “**NGN FMDA**” or “**NGN01**” each means that the FX Rate for a Rate Calculation Date will be the Nigerian Naira/U.S. Dollar Specified Rate expressed as the amount of Nigerian Naira per one U.S. Dollar for settlement in two Business Days reported by the Financial Market Dealers Association of Nigeria, which is published at www.fmda.com.ng, not later than 10:00 a.m., Lagos time, on the first Business Day following the Rate Calculation Date.
- (ii) “**EMTA NGN Indicative Survey Rate**” or “**NGN02**” each means that the FX Rate for a Rate Calculation Date will be the Nigerian Naira/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Nigerian Naira per one U.S. Dollar, for settlement in two Business Days, as published on EMTA’s website (www.emta.org) at approximately 12:00 p.m., Lagos time, or as soon thereafter as practicable, on such Rate Calculation Date. The FX Rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA NGN Indicative Survey Rate Methodology (which means a methodology dated as of 27 December 2010, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Nigerian Naira/U.S. Dollar markets for the purpose of determining the EMTA NGN Indicative Survey Rate).

(E) Europe

- (a) **Danish Krone**
- (i) “**WM/Reuters DKK/USD**” or “**DKK1**” each means that the FX Rate for a Rate Calculation Date will be the Danish Krone/U.S. Dollar spot rate, or closing spot rate, as the case may be, expressed as the amount of Danish Krone per one U.S. Dollar for settlement in two Business Days calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT05 Page (or Thomson Reuters Screen WMRPSPOT05 Page, in the case of the closing rate) under the caption “**MID**” at the Specified Time on that Rate Calculation Date.
- (b) **Euro**
- (i) “**ECB37 USD/EUR**” or “**EUR1**” each means that the FX Rate for a Rate Calculation Date will be the U.S. Dollar/Euro spot rate expressed as the amount of U.S. Dollars per one Euro, for settlement in two Business

Days, reported by the European Central Bank, which appears on Thomson Reuters Screen ECB37 Page at approximately 14:15 (Central European Time) on that Rate Calculation Date.

- (ii) **“WM/Reuters USD/EUR”** or **“EUR2”** each means that the FX Rate for a Rate Calculation Date will be the U.S. Dollar/Euro spot rate (or closing spot rate, as the case may be), expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT05 Page (or Thomson Reuters WMRPSPOT05 Page, in the case of the closing rate) under the caption **“MID”** at the Specified Time on that Rate Calculation Date.
 - (iii) **“TKFE USD/EUR”** or **“EUR3”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the Euro/U.S. Dollar bid and offer rates, expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days, which appears on Thomson Reuters Screen TKFE Page under the column **“EUR/DLR”** at the Specified Time on that Rate Calculation Date.
 - (iv) **“TKFE2 USD/EUR”** or **“EUR4”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Euro bid and offer rates, expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days, which appears on Thomson Reuters Screen TKFE2 Page under the column **“EUR/DLR”** at the Specified Time on that Rate Calculation Date.
 - (v) **“TKYFX USD/EUR”** or **“EUR5”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Euro bid and offer rates, expressed as the amount of U.S. Dollars per one Euro for settlement in two Business Days, which appears on Thomson Reuters Screen TKYFX Page under the column **“EUR/DLR”** at the Specified Time on that Rate Calculation Date.
- (c) **Norwegian Krone**
- (vi) **“WM/Reuters NOK/USD”** or **“NOK1”** each means that the FX Rate for a Rate Calculation Date will be the Norwegian Krone/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Norwegian Krone per one U.S. Dollar for settlement in two Business Days calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT6 Page (or Thomson Reuters Screen WMRPSPOT06 Page, in the case of the closing rate) under the caption **“MID”** at the Specified Time on that Rate Calculation Date.
- (d) **Sterling**
- (i) **“WM/Reuters USD/GBP”** or **“GBP1”** each means that the FX Rate for a Rate Calculation Date will be the U.S. Dollar/Sterling spot rate (or closing spot rate, as the case may be) expressed as the amount of U.S. Dollars per one Sterling for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT07 Page (or Thomson Reuters Screen WMRPSPOT07 Page, in the case of the closing rate) under the caption **“MID”** at the Specified Time on that Rate Calculation Date.
 - (ii) **“TKFE USD/GBP”** or **“GBP2”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Sterling bid and offer rates, expressed as the amount of U.S. Dollar per one Sterling for settlement in two Business Days, which appears on Thomson Reuters Screen TKFE Page under the column **“STG/DLR”** at the Specified Time on that Rate Calculation Date.
 - (iii) **“TKFE2 USD/GBP”** or **“GBP3”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Sterling bid and offer rates, expressed as the amount of U.S. Dollars per one Sterling for settlement in two Business Days, which appears on Thomson Reuters Screen TKFE2 Page under the column **“STG/DLR”** at the Specified Time on that Rate Calculation Date.
 - (iv) **“TKYFX USD/GBP”** or **“GBP4”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the U.S. Dollar/Sterling bid and offer rates, expressed as the amount of U.S. Dollars per one Sterling for settlement in two Business Days, which appears on Thomson Reuters Screen TKYFX Page under the column **“STG/DLR”** at the Specified Time on that Rate Calculation Date.
- (e) **Swedish Krona**

- (i) **“WM/Reuters SEK/USD”** or **“SEK1”** each means that the FX Rate for a Rate Calculation Date will be the Swedish Krona/U.S. Dollar spot rate (or closing spot rate, as the case may be) expressed as the amount of Swedish Krona per one U.S. Dollar for settlement in two Business Days calculated by WM Company which appears on Thomson Reuters Screen WMRSPOT07 Page (or Thomson Reuters Screen WMRPSPOT07 Page, in the case of the closing rate) under the caption **“MID”** at the Specified Time on that Rate Calculation Date.
- (f) **Swiss Franc**
 - (i) **“WM/Reuters CHF/USD”** or **“CHF1”** each means that the FX Rate for a Rate Calculation Date will be the Swiss Franc/U.S. Dollar spot rate, or closing spot rate, as the case may be, expressed as the amount of Swiss Francs per one U.S. Dollar for settlement in two Business Days calculated by WM Company, which appears on Thomson Reuters Screen WMRSPOT07 Page (or Thomson Reuters Screen WMRPSPOT07 Page, in the case of the closing rate) under the caption **“MID”** at the Specified Time on that Rate Calculation Date.
 - (ii) **“TKFE CHF/USD”** or **“CHF2”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the Swiss Franc/U.S. Dollar bid and offer rates, expressed as the amount of Swiss Francs per one U.S. Dollar for settlement in two Business Days, which appears on Thomson Reuters Screen TKFE Page under the column **“DLR/SFR”** at the Specified Time on that Rate Calculation Date.
 - (iii) **“TKFE2 CHF/USD”** or **“CHF3”** each means that the FX Rate for a Rate Calculation Date will be the arithmetic average of the Swiss Franc/U.S. Dollar bid and offer rates, expressed as the amount of Swiss Francs per one U.S. Dollar for settlement in two Business Days, which appears on Thomson Reuters Screen TKFE2 Page under the column **“DLR/SFR”** at the Specified Time on that Rate Calculation Date.

CHAPTER 5: TERMS AND CONDITIONS FOR COMMODITY LINKED SECURITIES

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Commodity Linked Product Conditions are “Applicable” (the “**Commodity Linked Product Conditions**”). These Commodity Linked Product Conditions are subject to amendment, supplement or variance in accordance with the relevant Final Terms. In the case of any inconsistency between these Commodity Linked Product Conditions, the Base Note Conditions, the Base C&W Conditions and/or the Base General Conditions, these Commodity Linked Product Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Commodity Linked Product Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Commodity Linked Product Conditions or elsewhere in the Conditions applicable to the Securities will have the meanings given to them in the relevant Final Terms. References in these Commodity Linked Product Conditions to “Securities” are to the Notes or C&W Securities, as the case may be, of one Series only, not to all Securities that may be issued under the Programme.

Unless otherwise specified, references in these Commodity Linked Product Conditions to a Product Condition are to a section or clause of these Commodity Linked Product Conditions.

5 Commodity Linked Securities

Unless previously redeemed or purchased and/or cancelled, as the case may be, each Commodity Linked Security, or if Units are specified as applicable, each Unit, will accrue interest and/or be settled on the Maturity Date (in the case of the Notes), the Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) in the manner specified hereon.

5.1 Settlement of Commodity Linked Redemption Securities

If Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, is specified hereon as being applicable, where the Cash Settlement Amount is determined in respect of a Valuation Date or Averaging Date(s), and where the Valuation Date or the Averaging Date, as the case may be, falling immediately prior to the Maturity Date (in the case of the Notes), the Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) (any such date, the “**Final Payment Date**”), as the case may be, is postponed as a result of the occurrence of a Commodity Market Disruption Event, the relevant Final Payment Date shall be the later of (i) the date specified hereon as the relevant Final Payment Date (the “**Scheduled Final Payment Date**”) and (ii) the day falling the number of Extension Business Days after the postponed Valuation Date or the postponed Averaging Date, as the case may be. If any amount is payable on the exercise or redemption of a Commodity Linked Security or Unit to which Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, applies, and the relevant Final Payment Date is postponed pursuant to a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, such amount will be due on the relevant date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

5.2 Commodity Linked Interest Securities

Interest shall be payable on each Commodity Linked Interest Security or, if Units are specified in the applicable C&W Final Terms, each Unit, in accordance with the provisions of this Product Condition 5, Base Note Condition 4 (*Interest and other Calculations*) (in the case of the Notes) and Base C&W Condition 4 (*Interest*) (in the case of the C&W Securities).

If Payment Date Extension is specified hereon as being applicable, where the Interest Amount(s) are determined in respect of a Valuation Date or Averaging Date(s), as the case may be, and such Valuation Date or Averaging Date, as the case may be, is postponed as a result of the occurrence of a Commodity Market Disruption Event, the Interest Payment Date relating to such postponed Valuation Date or Averaging Date, as the case may be, shall be the later of (i) the Interest Payment Date specified hereon (the “**Scheduled Payment Date**”) and (ii) the

day falling the number of Extension Business Days after such postponed Valuation Date or Averaging Date, as the case may be. If any amount is payable on an Interest Payment Date in respect of a Commodity Linked Interest Security or Unit to which Payment Date Extension applies, and such Interest Payment Date is postponed pursuant to a Payment Date Extension, such amount will be due on the Interest Payment Date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

5.3 Adjustments to a Commodity

(a) Determination of Relevant Commodity Price for Commodity Linked Securities

The Relevant Commodity Price for a Relevant Commodity or a Commodity Index for any Valuation Date or Averaging Date, as the case may be, shall be the price, expressed as a price per unit of the Relevant Commodity or the level of the Commodity Index, determined by the Calculation Agent with respect to that Valuation Date or Averaging Date, as the case may be, in respect of which:

- (1) the Commodity Reference Price is as specified in the relevant Final Terms;
- (2) the Specified Price is as specified in the relevant Final Terms; and
- (3) the Delivery Date (if any) is as specified in the relevant Final Terms.

(b) Commodity Market Disruption Event and Disruption Fallback

If, in the opinion of the Calculation Agent, a Commodity Market Disruption Event has occurred and is continuing on any Valuation Date or Averaging Date, as the case may be (or, if different, the day on which prices for that Valuation Date or Averaging Date, as the case may be, would, in the ordinary course, be published by the Price Source), the Relevant Commodity Price for that Valuation Date or Averaging Date, as the case may be, will be determined by the Calculation Agent in accordance with the Disruption Fallback that provides a Relevant Commodity Price and, if more than one Disruption Fallback provides a Relevant Commodity Price, in accordance with the Disruption Fallback selected by the Bank in its sole and absolute discretion.

(c) Common Pricing

With respect to Securities relating to a Basket of Commodities, if “Common Pricing” has been selected in the relevant Final Terms as:

- (4) “Applicable”, then no date will be a Valuation Date or Averaging Date, as the case may be, unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Valuation Date or Averaging Date, as the case may be) are scheduled to be published or announced.
- (5) “Not Applicable”, then, if the Calculation Agent determines that a Commodity Market Disruption Event has occurred or exists on a Valuation Date or Averaging Date, as the case may be, in respect of any Relevant Commodity and/or Commodity Index in the basket (the “**Affected Commodity**”), the Relevant Commodity Price of each Relevant Commodity and/or Commodity Index within the Basket of Commodities which is not affected by the occurrence of a Commodity Market Disruption Event shall be determined on the scheduled Valuation Date or Averaging Date, as the case may be, and the Relevant Commodity Price for each Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Commodity Price.

(d) Correction to Published Prices

For purposes of determining or calculating the Relevant Commodity Price for any day, if Correction of Commodity Prices is specified hereon as applying and the price published or announced on a given day and used or to be used by the Calculation Agent to determine the Relevant Commodity Price in respect of that day is subsequently corrected and the correction (the “**Corrected Relevant**

Commodity Price”) is published or announced by the person responsible for that publication or announcement prior to the relevant Correction Cut-Off Date specified hereon, the Calculation Agent, in its sole discretion, shall determine what, if any, adjustments to make to the Relevant Commodity Price for that day, using such corrected price. For the avoidance of doubt, any Corrected Relevant Commodity Price published on or after the relevant Correction Cut-Off Date shall be disregarded.

The Calculation Agent shall notify the Bank of any such correction, the revised Relevant Commodity Price and, if any amount (the “**Actual Amount**”) has been paid or delivered to Securityholders on the basis of the original Relevant Commodity Price, the amount that should have been paid or delivered to the Securityholders on the basis of the corrected Relevant Commodity Price (the “**Adjusted Amount**”). Upon being notified of the Adjusted Amount, the Bank may (but shall not be obliged to) take such action as it considers necessary or appropriate to either pay or deliver additional amounts (if the Adjusted Amount is greater than the Actual Amount) or recover amounts (if the Adjusted Amount is less than the Actual Amount) from the person to whom the Actual Amounts were paid or delivered. Notwithstanding the foregoing, under no circumstances shall the Bank be obligated to recover any moneys from any relevant Clearing System. The Calculation Agent shall not be obliged to make any determination under this Product Condition 5.3(d) and shall have no liability to any person for any determination made or not made under this Product Condition 5.3(d).

Notwithstanding the foregoing, where the Calculation Agent, in its sole discretion, determines that the price published or announced on a given day and used or to be used by it to determine the Relevant Commodity Price in respect of that day is expected to be subsequently corrected, then the Calculation Agent may, in its sole discretion, delay the determination or calculation of the Relevant Commodity Price in respect of such day and instead notify the Bank of the expected correction. If the Calculation Agent notifies the Bank of an expected correction to a Relevant Commodity Price, the Bank shall not make any payments or deliveries until the Calculation Agent determines or calculates the correct Relevant Commodity Price and the day on which such payments or deliveries are due shall be delayed to the same extent as was the determination or calculation of the correct Relevant Commodity Price. No additional amounts shall be payable or deliverable as a result of any such delay.

(e) Adjustments to Commodity Index

With respect to a Commodity Index:

- (1) If the Commodity Index is permanently cancelled or the Commodity Reference Price for a Commodity Index is not calculated and announced by the Commodity Index Sponsor of such Commodity Index or any of its affiliates but (A) is calculated and announced by a successor commodity index sponsor (the “**Successor Commodity Index Sponsor**”) acceptable to the Calculation Agent, or (B) replaced by a successor index (the “**Successor Index**”) using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Relevant Commodity Price, then such Relevant Commodity Price will be deemed to be the price so calculated and announced by that Successor Commodity Index Sponsor or that Successor Index, as the case may be.
- (2) If the Calculation Agent determines that (A) the Commodity Index Sponsor makes a material change in the formula for or the method of calculating the Relevant Commodity Price or in any other way materially modifies such Commodity Index (other than a modification prescribed in that formula or method to maintain the Relevant Commodity Price in the event of changes in constituent commodities and weightings and other routine events), or (B) the Commodity Index Sponsor permanently cancels the Commodity Index or (C) the Commodity Index Sponsor fails to calculate and announce the Commodity Index for a continuous period of three Scheduled Trading Days and the Calculation Agent determines that there is no

Successor Commodity Index Sponsor or Successor Index (such events (A) (B) and (C) to be collectively referred to as “**Index Adjustment Events**”), then the Calculation Agent may at its option (in the case of (A)) and shall (in the case of (B) and (C)) calculate the Relevant Commodity Price using, in lieu of the published level for that Commodity Index (if any), the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those commodities or futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

- (3) If the Calculation Agent determines, in its sole and absolute discretion, that it is not reasonably practicable including, without limitation, (taking into account the costs involved) to calculate or continue to calculate the relevant Commodity Index pursuant to the preceding paragraph, the Calculation Agent may rebase the Securities against another index or basket of indices, as applicable, determined by the Calculation Agent to be comparable to the relevant Commodity Index, and, following such rebasing, the Calculation Agent will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such rebasing.
 - (4) If the Calculation Agent determines, in its sole and absolute discretion, that there is no index comparable to the relevant Commodity Index, and/or that application of the preceding paragraphs would not achieve a commercially reasonable result, the Calculation Agent may determine that the Securities shall be redeemed or cancelled, in which event the Bank will cause to be paid to each Securityholder in respect of each Security held by it an amount equal to the Early Redemption Amount (in the case of the Notes) or the Early Cancellation Amount (in the case of the C&W Securities).
 - (5) On making any such adjustment or determination, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 11 (*Notices*), stating the occurrence of the relevant Index Adjustment Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give such notice shall not affect the validity of the Index Adjustment Event or any action taken.
 - (6) Additional adjustment events may be specified in the relevant Final Terms.
- (f) Commodity Index Disclaimer

The Securities are not sponsored, endorsed, sold or promoted by any Commodity Index Sponsor and no Commodity Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of any Commodity Index and/or the levels at which any Commodity Index stands at any particular time on any particular date or otherwise. No Commodity Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Commodity Index and the Commodity Index Sponsor is under no obligation to advise any person of any error therein. No Commodity Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. The Bank shall have no liability to the Securityholders for any act or failure to act by any Commodity Index Sponsor in connection with the calculation, adjustment or maintenance of any Commodity Index. Except as specified in the relevant Final Terms, none of the Bank, the Calculation Agent or any of their respective Affiliates has any affiliation with or control over any Commodity Index or Commodity Index Sponsor or any control over the computation, composition or dissemination of any Commodity Index. Although the Calculation Agent will obtain

information concerning relevant Commodity Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Bank, its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Commodity Index.

5.4 Definitions relevant to Commodity Linked Securities

“**Averaging Date**” means each date specified as an Averaging Date in the Final Terms, subject to adjustment upon the occurrence of a Disrupted Day.

“**Basket**” means a basket comprising the Basket Components specified in the relevant Final Terms in the Weights specified for each Basket Component in the relevant Final Terms.

“**Basket Component**” means, in respect of a Basket, each of the Commodities and/or Commodity Indices comprising such Basket.

“**Bullion**” means gold, silver, platinum and palladium.

“**Bullion Business Day**” means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York and in each Bullion Business Centre(s) specified in the relevant Final Terms.

“**Bullion Delivery Business Day**” means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York and in each Bullion Business Centre(s) specified in the relevant Final Terms and which is also a scheduled trading day (meaning a day on which such markets are ordinarily open) in the relevant bullion market in the Bullion Delivery Location.

“**Bullion Delivery Location**” means, in respect of a Bullion Delivery Business Day, the place for delivery of the Relevant Commodity as specified in the relevant Final Terms.

“**Commodity Business Day**” means

- (a) in respect of a determination of a Commodity Reference Price, where such price is announced or published by an Exchange, a day that is (or but for the occurrence of a Commodity Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and
- (b) in respect of a determination of a Commodity Reference Price, where such price is not announced or published by an Exchange, a day in respect of which the relevant Price Source published (or but for the occurrence of a Commodity Market Disruption Event, would have been) a price or a day in respect of which the Calculation Agent would have been able to determine the Commodity Reference Price in accordance with its normal means of determining such Commodity Reference Price.

“**Commodity Index**” means each index comprising one or more commodities or commodity futures contracts, as specified in the relevant Final Terms.

“**Commodity Index Sponsor**” means in relation to a Commodity Index, the commodity index sponsor for such Commodity Index as specified in the relevant Final Terms.

“**Commodity Reference Price**” means, in respect of a Relevant Commodity or Commodity Index, the reference price as specified in the relevant Final Terms and determined by the Calculation Agent. The specified Commodity Reference Price may be defined in the relevant Final Terms or be interpreted by reference to Product Condition 5.6 (*Commodity Reference Prices*).

“**Delivery Date**” means, in respect of a Commodity Reference Price, the relevant date or month and year for delivery of the Relevant Commodity as specified in the relevant Final Terms.

“**Disrupted Day**” means any day on which a Commodity Market Disruption Event occurs.

“**Exchange**” means, in respect of a Commodity Reference Price, each exchange or principal trading market specified for such Commodity Reference Price in the relevant Final Terms or Commodity Reference Price.

“**Extension Business Days**” means, if Payment Date Extension, Maturity Date Extension, Settlement Date Extension or Redemption Date Extension is specified hereon as applicable, the number of Business Days specified hereon, or, if none, (a) in respect of a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, the number of Business Days that the relevant Scheduled Final Payment Date falls after the original date that, but for the occurrence of a Commodity Market Disruption Event, would have been the Valuation Date or final Averaging Date, as the case may be (the “**Affected Pricing Date**”), relating to the relevant Scheduled Final Payment Date, as the case may be and (b) in respect of a Payment Date Extension, the number of Business Days that the Scheduled Payment Date falls after the Affected Pricing Date to the Scheduled Payment Date.

“**Price Source**” means, in respect of a Commodity Reference Price, the publication (or such other origin of reference, including an Exchange, and any successor thereto) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) as specified in the relevant Commodity Reference Price or the relevant Final Terms.

“**Relevant Commodity**” means, in respect of a Commodity Linked Security, each commodity specified in the relevant Final Terms.

“**Relevant Commodity Price**” means, in respect of a Relevant Commodity or Commodity Index, for any Valuation Date or Averaging Date, as the case may be, the price, expressed as a price per unit of the Relevant Commodity or the level of the Commodity Index, determined by the Calculation Agent with respect to that Valuation Date or Averaging Date, as the case may be, for the specified Commodity Reference Price.

“**Scheduled Trading Day**” means, in respect of a Price Source, each day on which such Price Source would, in the ordinary course, publish or announce the relevant the Specified Price (or prices from which the Specified Price is calculated), or as otherwise specified in the relevant Final Terms.

“**Settlement Price**” means in respect of a Relevant Commodity, an amount equal to the value calculated for such Commodity as determined by the Calculation Agent at the Valuation Time on (i) if a Valuation Date is specified hereon, the Valuation Date (as defined below) or (ii) if Averaging Dates are specified hereon, an Averaging Date.

“**Specified Price**” means, in respect of a Commodity Reference Price, the price as specified in the relevant Final Terms.

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

“**Valuation Date**” means each date specified as such or otherwise determined as provided in the relevant Final Terms as such or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

“**Valuation Time**” means each time specified as such or otherwise determined as provided in the relevant Final Terms.

“**Weight**” means, in respect of each Basket Component comprising a Basket, the percentage specified as the Weight of such Basket Component in the relevant Final Terms.

5.5 Terms relating to Commodity Market Disruption Events and Disruption Fallback

“**Calculation Agent Determination**” means the Calculation Agent will determine the Relevant Commodity Price (or a method for determining the Relevant Commodity Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in its sole discretion it deems relevant.

“**Commodity Market Disruption Event**” means the occurrence of any of the following events specified as applicable in the relevant Final Terms:

- (a) with respect to a Relevant Commodity:
 - (i) Price Source Disruption;
 - (ii) Trading Disruption;
 - (iii) Disappearance of Commodity Reference Price;
 - (iv) Material Change in Formula;
 - (v) Material Change in Content;
 - (vi) Tax Disruption; or
 - (vii) any additional Commodity Market Disruption Events specified in the relevant Final Terms.
- (b) with respect to a Commodity Index:
 - (i) “**Index Price Source Disruption**”, which means, a temporary or permanent failure (i) by the relevant Commodity Index Sponsor to announce or publish the Relevant Commodity Price or (ii) by the applicable exchange or other price source to announce or publish the closing price for any Futures Contract included in the Commodity Reference Price; provided that the Calculation Agent may determine, in relation to a Commodity Index, that that failure shall not be a Commodity Market Disruption Event and shall instead be an Index Adjustment Event and that the provisions of Product Condition 5.3(e) shall apply;
 - (ii) “**Index Trading Disruption**”, which means, a material limitation, suspension or disruption of trading in one or more of the Futures Contracts included in the Commodity Reference Price; or
 - (iii) “**Closing Price Volatility**”, which means, the closing price for any Futures Contract included in the Commodity Reference Price is a “limit price”, which means that the closing price for such Futures Contract for a day has increased or decreased from the previous day’s closing price by the maximum amount permitted under applicable exchange rules.

“**Delayed Publication or Announcement**” means that the Relevant Commodity Price for a Relevant Commodity or Commodity Index, as the case may be, for a Valuation Date or Averaging Date, as the case may be, will be determined based on the Specified Price in respect of the original day scheduled as such Valuation Date or Averaging Date, as the case may be, that is published or announced by the relevant Price Source retrospectively on the first succeeding Scheduled Trading Day on which no Commodity Market Disruption Event exists, unless a Commodity Market Disruption Event continues to exist (measured from and including the Valuation Date or Averaging Date, as the case may be) or the Relevant Commodity Price continues to be unavailable for consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption.

“**Disappearance of Commodity Reference Price**” means (a) the permanent discontinuation of trading in any relevant Futures Contract on the relevant Exchange; (b) the disappearance of, or of trading in, any Relevant Commodity or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in any relevant Futures Contract or any Relevant Commodity.

“**Disruption Fallback**” means any of the following sources or methods that may give rise to an alternative basis for determining the Relevant Commodity Price in respect of a specified Commodity Reference Price when a Commodity Market Disruption Event occurs or exists on a day that is a Valuation Date or Averaging Date, as the case may be:

- (a) with respect to a Relevant Commodity:
 - (i) Fallback Reference Price (if applicable);
 - (ii) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a maximum period of consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption as specified in the relevant Final Terms, or, if no number of days is so specified, a period of two consecutive Scheduled Trading Day(s) of disruption (measured from and including the original day that would otherwise have been the relevant Valuation Date or Averaging Date, as the case may be); provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement does not yield a Relevant Commodity Price within that number of days); and
 - (iii) Calculation Agent Determination.
- (b) with respect to a Commodity Index, the following fallback determination mechanism:
 - (i) with respect to each Futures Contract included in the Commodity Reference Price which is not affected by the Commodity Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the applicable determination date;
 - (ii) with respect to each Futures Contract included in the Commodity Reference Price which is affected by the Commodity Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the first day following the applicable determination date on which no Commodity Market Disruption Event is occurring with respect to such contract;
 - (iii) subject to sub-paragraph (iv) below, the Calculation Agent shall determine the Relevant Commodity Price by reference to the closing prices determined in sub-paragraphs (i) and (ii) above using the then current method for calculating the Relevant Commodity Price; and
 - (iv) where a Commodity Market Disruption Event with respect to one or more Futures Contracts included in the Commodity Reference Price continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Scheduled Trading Days, the Calculation Agent shall determine the Relevant Commodity Price in its sole and absolute discretion.

“**Fallback Reference Price**” means that the Calculation Agent will determine the relevant Relevant Commodity Price based on the price for that Valuation Date or Averaging Date, as the case may be, of the first alternate Commodity Reference Price, if any, specified in the relevant Final Terms and not subject to a Commodity Market Disruption Event.

“**Futures Contract**” means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Relevant Commodity or included in the relevant Commodity Index referred to in that Commodity Reference Price.

“**Material Change in Content**” means the occurrence since the Trade Date of a material change in the content, composition or constitution of any Relevant Commodity or relevant Futures Contract.

“**Material Change in Formula**” means the occurrence since the Trade Date of a material change in the formula for or method of calculating any relevant Commodity Reference Price.

“**Maximum Days of Disruption**” means the number of days specified as such in the relevant Final Terms, or, if no number of days is so specified, a period of two consecutive Scheduled Trading Days

“**Postponement**” means that a Valuation Date or Averaging Date, as the case may be, will be deemed, for purposes of the application of this Disruption Fallback only, to be the first succeeding Scheduled Trading Day on

which no Commodity Market Disruption Event exists, unless a Commodity Market Disruption Event continues to exist for consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption as specified in the relevant Final Terms, or, if no number of days is so specified, a period of two consecutive Scheduled Trading Days (measured from and including the original day that would otherwise have been such Valuation Date or Averaging Date, as the case may be).

“**Price Source Disruption**” means (a) the failure of any Price Source to announce or publish the Specified Price (or the information necessary for determining such Specified Price) for the relevant Commodity Reference Price; or (b) the temporary or permanent discontinuance or unavailability of any Price Source.

“**Tax Disruption**” means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, any Relevant Commodity or relevant Futures Contract (other than a tax on, or measure by reference to overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the related Relevant Commodity Price on the original day that would otherwise have been the relevant Valuation Date or Averaging Date, as the case may be, from what it would have been without that imposition, change or removal.

“**Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in any Futures Contract or any Relevant Commodity on the relevant Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the relevant Final Terms. For these purposes:

- (a) a suspension of the trading in the relevant Futures Contract or Relevant Commodity on any Scheduled Trading Day shall be deemed to be material only if:
 - (i) all trading in such Futures Contract or Relevant Commodity is suspended for the entire Valuation Date or Averaging Date, as the case may be; or
 - (ii) all trading in such Futures Contract or Relevant Commodity is suspended subsequent to the opening of trading on the relevant Valuation Date or Averaging Date, as the case may be, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Relevant Commodity on such Valuation Date or Averaging Date, as the case may be, and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the relevant Futures Contract or Relevant Commodity on any Scheduled Trading Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of such Futures Contract or Relevant Commodity may fluctuate and the closing or settlement price of such Futures Contract or Relevant Commodity on such day is at the upper or lower limit of that range.

5.6 Commodity Reference Prices

(1) Commodity Reference Prices

For purposes of determining the Relevant Commodity Price for a Relevant Commodity or Commodity Index:

(A) Agricultural Products

(i) Azuki Beans

“AZUKI BEANS-TGE” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per bag of deliverable grade azuki beans on the TGE of the Futures Contract, stated in Japanese Yen, as made public by the TGE and displayed on Reuters Screen page “0#JRB:” on that Valuation Date or Averaging Date, as the case may be.

(ii) Barley

“BARLEY-WCE” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of deliverable grade Canadian feed barley on the WCE of the Futures Contract, stated in Canadian Dollars, as made public by the WCE and displayed on Reuters Screen page “0#AB:” on that Valuation Date or Averaging Date, as the case may be.

(iii) Canola

“CANOLA-WCE” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per ton of deliverable grade non-commercially clean Canadian canola on the WCE of the Futures Contract, stated in Canadian Dollars, as made public by the WCE and displayed on Reuters Screen page “0#RS:” on that Valuation Date or Averaging Date, as the case may be.

(iv) Cocoa

“COCOA-NYBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per metric ton of deliverable grade cocoa beans on the NYBOT of the Futures Contract, stated in U.S. Dollars, as made public by the NYBOT and displayed on Reuters Screen page “0#CC:” on that Valuation Date or Averaging Date, as the case may be.

(v) Coffee

“COFFEE ARABICA-NYBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per pound of deliverable grade washed arabica coffee on the NYBOT of the Futures Contract, stated in U.S. cents, as made public by the NYBOT and displayed on Reuters Screen page “0#KC:” on that Valuation Date or Averaging Date, as the case may be.

(vi) Corn

“CORN-CBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per bushel of deliverable grade corn on the CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Reuters Screen page “0#C:” on that Valuation Date or Averaging Date, as the case may be.

(vii) Cotton

“COTTON NO. 2-NYBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per pound of deliverable grade cotton No. 2 on the NYBOT of the Futures Contract, stated in U.S. cents, as made public by the NYBOT and displayed on Reuters Screen page “0#CT:” on that Valuation Date or Averaging Date, as the case may be.

(viii) Livestock

(1) “FEEDER CATTLE-CME” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per pound of deliverable grade medium and large frame #1 feeder steers on the CME of the Futures Contract, stated in U.S. cents, as made public by the CME and displayed on Reuters Screen page “0#FC:” on that Valuation Date or Averaging Date, as the case may be.

- (2) "LIVE CATTLE-CME" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per pound of deliverable grade live steers on the CME of the Futures Contract, stated in U.S. cents, as made public by the CME and displayed on Reuters Screen page "0#LC:" on that Valuation Date or Averaging Date, as the case may be.
 - (3) "LEAN HOGS-CME" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per pound of deliverable grade lean value hog carcasses on the CME of the Futures Contract, stated in U.S. cents, as made public by the CME and displayed on Reuters Screen page "0#LH:" on that Valuation Date or Averaging Date, as the case may be.
- (ix) Lumber
- "LUMBER-CME" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per thousand board feet (mbf) of deliverable grade random length lumber on the CME of the Futures Contract, stated in U.S. Dollars, as made public by the CME and displayed on Reuters Screen page "0#LB:" on that Valuation Date or Averaging Date, as the case may be.
- (x) Oats
- "OATS-CBOT" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per bushel of deliverable grade oats on the CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Reuters Screen page "0#0:" on that Valuation Date or Averaging Date, as the case may be.
- (xi) Orange Juice
- "FROZEN CONCENTRATED ORANGE JUICE NO. 1-NYBOT" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per pound of deliverable grade orange solids on the NYBOT of the Futures Contract, stated in U.S. cents, as made public by the NYBOT and displayed on Reuters Screen page "0#OJ:" on that Valuation Date or Averaging Date, as the case may be.
- (xii) Palm Oil
- (1) "PALM OIL-BURSA MALAYSIA" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per metric ton of deliverable grade crude palm oil on the Bursa Malaysia of the Futures Contract, stated in Malaysian Ringgit, as made public by the Bursa Malaysia, and displayed on Reuters Screen page "0#PO:" on that Valuation Date or Averaging Date, as the case may be.
 - (2) "PALM KERNEL OIL-BURSA MALAYSIA" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per metric ton of deliverable grade crude palm kernel oil on the Bursa Malaysia of the Futures Contract, stated in Malaysian Ringgit, as made public by the Bursa Malaysia and displayed on Reuters Screen page "0#KPO:" on that Valuation Date or Averaging Date, as the case may be.

(xiii) Rice

“RICE-CBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per hundredweight of deliverable grade rough rice on the CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Reuters Screen page “0#RR:” on that Valuation Date or Averaging Date, as the case may be.

(xiv) Rubber

“RUBBER-TOCOM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per kilogram of rubber on the TOCOM of the Futures Contract for the Delivery Date, stated in Japanese Yen, as made public by the TOCOM and displayed on Reuters Screen page “0#JRU:” on that Valuation Date or Averaging Date, as the case may be.

(xv) Soybeans

(1) “SOYBEANS-CBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per bushel of deliverable grade soybeans on CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Reuters Screen page “0#S:” on that Valuation Date or Averaging Date, as the case may be.

(2) “SOYBEAN MEAL-CBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per ton of deliverable grade soybean meal on the CBOT of the Futures Contract, stated in U.S. Dollars, as made public by the CBOT and displayed on Reuters Screen page “0#SM:” on that Valuation Date or Averaging Date, as the case may be.

(3) “SOYBEAN OIL-CBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per pound of deliverable grade crude soybean oil on the CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Reuters Screen page “0#BO:” on that Valuation Date or Averaging Date, as the case may be.

(xvi) Sugar

“SUGAR # 11 (WORLD)-NYBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per pound of deliverable grade cane sugar on the NYBOT of the Futures Contract, stated in U.S. cents, as made public by the NYBOT and displayed on Reuters Screen page “0#SB:” on that Valuation Date or Averaging Date, as the case may be.

(xvii) Wheat

(1) “WHEAT-CBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per bushel of deliverable grade wheat on the CBOT of the Futures Contract, stated in U.S. cents, as made public by the CBOT and displayed on Reuters Screen page “0#W:” on that Valuation Date or Averaging Date, as the case may be.

(2) “WHEAT HRW-KCBOT” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per bushel of deliverable grade hard red winter wheat on the KCBOT of the Futures Contract, stated in U.S. cents, as made public by the KCBOT and

displayed on Reuters Screen page “0#KW:” on that Valuation Date or Averaging Date, as the case may be.

(xviii) Wool

“GREASY WOOL (21 MICRON)-SFE” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per kilogram of deliverable grade merino combing fleece on the SFE of the Futures Contract, stated in Australian cents, as made public by the SFE and displayed on Reuters Screen page “0#YGS:” on that Valuation Date or Averaging Date, as the case may be.

(B) Energy

(i) Coal

(1) “COAL-TFS API 2-ARGUS/MCCLOSKEY’S” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of steam coal 6,000 kcal/kg, up to 1 per cent. sulphur NAR basis, cif ARA, stated in U.S. Dollars, published under the heading “International Coal Indexes incorporating the TFS APITM Indices: Monthly Coal Price Indexes: TFS API 2 (cif ARA)” in the issue of Argus/McCloskey’s Coal Price Index Report that reports prices effective on that Valuation Date or Averaging Date, as the case may be.

(2) “COAL-TFS API 4-ARGUS/MCCLOSKEY’S” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of steam coal 6,000 kcal/kg, up to 1 per cent. sulphur NAR basis, fob Richards Bay, stated in U.S. Dollars, published under the heading “International Coal Indexes incorporating the TFS APITM Indices: Monthly Coal Price Indexes: TFS API 4 (fob Richards Bay)” in the issue of Argus/McCloskey’s Coal Price Index Report that reports prices effective on that Valuation Date or Averaging Date, as the case may be.

(ii) Electricity

(1) “ELECTRICITY-MONTH FUTURES BASE-EEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per MWh of base electricity on the EEX of the Futures Contract, stated in Euros, published at www.eex.de, under the headings “Info Center: Download: Market Data: Derivatives-Results Derivatives Market (Year): F1BM” or any successor headings, that reports prices effective on that Valuation Date or Averaging Date, as the case may be.

(2) “ELECTRICITY-QUARTER FUTURES BASE-EEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per MWh of base electricity on the EEX of the Futures Contract, stated in Euros, published at www.eex.de, under the headings “Info Center: Download: Market Data: Derivatives-Results Derivatives Market (Year): F1BQ” or any successor headings, that reports prices effective on that Valuation Date or Averaging Date, as the case may be.

(3) “ELECTRICITY-YEAR FUTURES BASE-EEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per MWh of base electricity on the EEX of the Futures Contract, stated in Euros, published at www.eex.de, under the headings “Info Center: Download: Market Data: Derivatives-Results Derivatives Market

(Year): F1BY” or any successor headings, that reports prices effective on that Valuation Date or Averaging Date, as the case may be.

(iii) Gas Oil

“GAS OIL-IPE” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per metric ton of gas oil on the IPE of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the IPE on that Valuation Date or Averaging Date, as the case may be.

(iv) Gasoline

“GASOLINE-NEW YORK-NYMEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per gallon of New York Harbor unleaded gasoline on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Valuation Date or Averaging Date, as the case may be.

(v) Heating Oil

“HEATING OIL-NEW YORK-NYMEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per gallon of New York Harbor No. 2 heating oil on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Valuation Date or Averaging Date, as the case may be.

(vi) Jet Fuel/Kerosene

“JET FUEL-CARGOES CIF NWE/BASIS ARA-PLATTS EUROPEAN” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per metric ton of jet fuel, stated in U.S. Dollars, published under the heading “Cargoes CIF NWE/Basis ARA: Jet”, in the issue of Platts European, that reports prices effective on that Valuation Date or Averaging Date, as the case may be.

(vii) Natural Gas

(1) “NATURAL GAS-NYMEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per MMBTU of natural gas on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Valuation Date or Averaging Date, as the case may be.

(2) “NATURAL GAS-HENRY HUB-NYMEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per MMBTU of natural gas on the NYMEX of the Henry Hub Natural Gas Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Valuation Date or Averaging Date, as the case may be.

(viii) Oil

(1) “OIL-BRENT-IPE” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per barrel of Brent blend crude oil on the IPE of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the IPE on that Valuation Date or Averaging Date, as the case may be.

- (2) "OIL-WTI-NYMEX" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per barrel of West Texas Intermediate light sweet crude oil on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Valuation Date or Averaging Date, as the case may be.

(C) Metals

(i) Aluminium

- (1) "ALUMINIUM-LME CASH" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per tonne of high grade Primary Aluminium on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page "MTLE" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) "ALUMINIUM-LME 3 MONTH" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per tonne of high grade Primary Aluminium on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page "MTLE" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (3) "ALUMINIUM-LME 15 MONTH" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per tonne of high grade Primary Aluminium on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page "MTLE" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (4) "ALUMINIUM-LME 27 MONTH" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per tonne of high grade Primary Aluminium on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page "MTLE" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

(ii) Copper

- (1) "COPPER-LME CASH" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per tonne of Copper Grade A on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page "MTLE" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) "COPPER-LME 3 MONTH" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per tonne of Copper Grade A on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page "MTLE" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (3) "COPPER-LME 15 MONTH" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price per

tonne of Copper Grade A on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (4) “COPPER-LME 27 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Copper Grade A on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (5) “COPPER-COMEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per pound of high grade copper on the COMEX of the Futures Contract for the Delivery Date, stated in U.S. cents, as made public by the COMEX on that Valuation Date or Averaging Date, as the case may be.

(iii) Gold

- (1) “GOLD-A.M. FIX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s morning Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorized to effect such delivery, stated in U.S. Dollars, as determined by the London Gold Market and displayed on Reuters Screen page “GOFO” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) “GOLD-P.M. FIX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s afternoon Gold fixing price per troy ounce of Gold for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. Dollars, as calculated by the London Gold Market and displayed on Reuters Screen page “GOFO” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

(iv) Lead

- (1) “LEAD-LME CASH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Standard Lead on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) “LEAD-LME 3 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Standard Lead on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (3) “LEAD-LME 15 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Standard Lead on the LME for the applicable Delivery Date, stated in

U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

(v) Nickel

- (1) “NICKEL-LME CASH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Primary Nickel on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) “NICKEL-LME 3 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Primary Nickel on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (3) “NICKEL-LME 15 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Primary Nickel on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (4) “NICKEL-LME 27 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Primary Nickel on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

(vi) Palladium

- (1) “PALLADIUM-A.M. FIX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s morning Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by the LPPM and displayed on Reuters Screen page “STBL” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) “PALLADIUM-P.M. FIX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s afternoon Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by the LPPM and displayed on Reuters Screen page “STBL” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

(vii) Platinum

- (1) “PLATINUM-A.M. FIX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s morning Platinum fixing

price per troy ounce gross of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by the LPPM and displayed on Reuters Screen page “STBL” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (2) “PLATINUM-P.M. FIX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s afternoon Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by the LPPM and displayed on Reuters Screen page “STBL” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (3) “PLATINUM-NYMEX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per troy ounce of Platinum on the NYMEX of the Futures Contract for the Delivery Date, stated in U.S. Dollars, as made public by the NYMEX on that Valuation Date or Averaging Date, as the case may be.
- (4) “PLATINUM-TOCOM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per gram of fine Platinum on the TOCOM of the Futures Contract for the Delivery Date, stated in Japanese Yen, as made public by the TOCOM on that Valuation Date or Averaging Date, as the case may be.

(viii) Silver

“SILVER-FIX” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Silver fixing price per troy ounce of Silver for delivery in London through a member of the LBMA authorised to effect such delivery, stated in U.S. cents, as calculated by the London Silver Market and displayed on Reuters Screen page “SIFO” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

(ix) Tin

- (1) “TIN-LME CASH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Tin on the LME for the Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) “TIN-LME 3 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Tin on the LME for the Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (3) “TIN-LME 15 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Tin on the LME for the Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

(x) Zinc

- (1) “ZINC-LME CASH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Special High Grade Zinc on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) “ZINC-LME 3 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Special High Grade Zinc on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (3) “ZINC-LME 15 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Special High Grade Zinc on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (4) “ZINC-LME 27 MONTH” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price per tonne of Special High Grade Zinc on the LME for the applicable Delivery Date, stated in U.S. Dollars, as determined by the LME and displayed on Reuters Screen page “MTLE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

(D) Composite Commodity Indices

(i) S&P GSCI

- (1) “S&P GSCI™ Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSCITR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (2) “S&P GSCI™ Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSCIP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (3) “S&P GSCI™ Energy Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Energy Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSEINTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (4) “S&P GSCI™ Energy Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Energy Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSENP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (5) “S&P GSCI™ Petroleum Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Petroleum Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSPTTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (6) “S&P GSCI™ Petroleum Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Petroleum Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSPTP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (7) “S&P GSCI™ Non-Energy Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Non-Energy Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSNETR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (8) “S&P GSCI™ Non-Energy Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Non-Energy Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSNEP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (9) “S&P GSCI™ Reduced Energy Index (CPW 2) Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Reduced Energy Index (CPW 2) Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSRETR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (10) “S&P GSCI™ Reduced Energy Index (CPW 2) Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Reduced Energy Index (CPW 2) Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSREP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (11) “S&P GSCI™ Light Energy Index (CPW 4) Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Light Energy Index (CPW 4) Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor,

and displayed on Reuters Screen page “.SPGSLETR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (12) “S&P GSCI™ Light Energy Index (CPW 4) Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Light Energy Index (CPW 4) Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSLEP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (13) “S&P GSCI™ Ultra-Light Energy Index (CPW 8) Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Ultra-Light Energy Index (CPW 8) Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSUETR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (14) “S&P GSCI™ Ultra-Light Energy Index (CPW 8) Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Ultra-Light Energy Index (CPW 8) Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSUEP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (15) “S&P GSCI™ Energy and Metals Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Energy and Metals Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSEMTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (16) “S&P GSCI™ Energy and Metals Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Energy and Metals Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSEMP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (17) “S&P GSCI™ Industrial Metals Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Industrial Metals Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSINTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (18) “S&P GSCI™ Industrial Metals Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Industrial Metals Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSINP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (19) “S&P GSCI™ Precious Metals Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Precious Metals Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSPMTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (20) “S&P GSCI™ Precious Metals Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Precious Metals Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSPMP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (21) “S&P GSCI™ Agriculture Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Agriculture Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSAGTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (22) “S&P GSCI™ Agriculture Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Agriculture Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSAGP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (23) “S&P GSCI™ Livestock Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Livestock Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSLVTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (24) “S&P GSCI™ Livestock Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Livestock Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSLVP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (25) “S&P GSCI™ Non-Livestock Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Non-Livestock Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSNLTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (26) “S&P GSCI™ Non-Livestock Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Non-Livestock Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor,

and displayed on Reuters Screen page “.SPGSNLP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (27) “S&P GSCI™ Agriculture and Livestock Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Agriculture and Livestock Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSALTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (28) “S&P GSCI™ Agriculture and Livestock Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Agriculture and Livestock Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSALP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (29) “S&P GSCI™ Non-Precious Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Non-Precious Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSXPTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (30) “S&P GSCI™ Non-Precious Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Non-Precious Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSXPP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (31) “S&P GSCI™ Grains Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Grains Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSGRTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (32) “S&P GSCI™ Grains Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Grains Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSGRP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (33) “S&P GSCI™ Crude Oil Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Crude Oil Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSCLTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (34) “S&P GSCI™ Crude Oil Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s

Specified Price for the S&P GSCI™ Crude Oil Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page “.SPGSCLP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (35) “S&P GSCI™ Brent Crude Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Brent Crude Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page “.SPGSBRTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (36) “S&P GSCI™ Brent Crude Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Brent Crude Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page “.SPGSBRP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (37) “S&P GSCI™ Heating Oil Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Heating Oil Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page “.SPGSHOTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (38) “S&P GSCI™ Heating Oil Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Heating Oil Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page “.SPGSHOP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (39) “S&P GSCI™ Unleaded Gasoline Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Unleaded Gasoline Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page “.SPGSHUTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (40) “S&P GSCI™ Unleaded Gasoline Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Unleaded Gasoline Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page “.SPGSHUP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (41) “S&P GSCI™ GasOil Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ GasOil Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page “.SPGSGOTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (42) “S&P GSCI™ GasOil Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ GasOil Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSGOP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (43) “S&P GSCI™ Natural Gas Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Natural Gas Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSNGTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (44) “S&P GSCI™ Natural Gas Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Natural Gas Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSNGP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (45) “S&P GSCI™ Live Cattle Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Live Cattle Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSLCTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (46) “S&P GSCI™ Live Cattle Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Live Cattle Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSLCP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (47) “S&P GSCI™ Lean Hogs Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Lean Hogs Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSLHTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (48) “S&P GSCI™ Lean Hogs Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Lean Hogs Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSLHP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (49) “S&P GSCI™ Feeder Cattle Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Feeder Cattle Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and

displayed on Reuters Screen page “.SPGSFCTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (50) “S&P GSCI™ Feeder Cattle Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Feeder Cattle Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSFCP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (51) “S&P GSCI™ Wheat Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Wheat Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSWHTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (52) “S&P GSCI™ Wheat Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Wheat Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSWHP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (53) “S&P GSCI™ Kansas Wheat Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Kansas Wheat Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSKWTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (54) “S&P GSCI™ Kansas Wheat Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Kansas Wheat Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSKWP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (55) “S&P GSCI™ Corn Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Corn Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSCNTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (56) “S&P GSCI™ Corn Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Corn Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSCNP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (57) “S&P GSCI™ Soybeans Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Soybeans Index Total Return Index, stated

in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSSOTR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (58) "S&P GSCI™ Soybeans Index Excess Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Soybeans Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSSOP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (59) "S&P GSCI™ Sugar Index Total Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Sugar Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSSBTR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (60) "S&P GSCI™ Sugar Index Excess Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Sugar Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSSBP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (61) "S&P GSCI™ Coffee Index Total Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Coffee Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSKCTR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (62) "S&P GSCI™ Coffee Index Excess Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Coffee Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSKCP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (63) "S&P GSCI™ Cocoa Index Total Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Cocoa Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSCCTR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (64) "S&P GSCI™ Cocoa Index Excess Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Cocoa Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSCCP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (65) "S&P GSCI™ Cotton Index Total Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price

for the S&P GSCI™ Cotton Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSCCTR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (66) "S&P GSCI™ Cotton Index Excess Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Cotton Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSCTP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (67) "S&P GSCI™ Silver Index Total Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Silver Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSSITR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (68) "S&P GSCI™ Silver Index Excess Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Silver Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSSIP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (69) "S&P GSCI™ Gold Index Total Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Gold Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSGCTR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (70) "S&P GSCI™ Gold Index Excess Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Gold Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSGCP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (71) "S&P GSCI™ Aluminum Index Total Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Aluminum Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSIATR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (72) "S&P GSCI™ Aluminum Index Excess Return" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ Aluminum Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SPGSIAP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (73) “S&P GSCI™ Zinc Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Zinc Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSIZTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (74) “S&P GSCI™ Zinc Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Zinc Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSIZP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (75) “S&P GSCI™ Nickel Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Nickel Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSIKTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (76) “S&P GSCI™ Nickel Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Nickel Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSIKP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (77) “S&P GSCI™ Copper Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Copper Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSICTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (78) “S&P GSCI™ Copper Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Copper Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSICP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (79) “S&P GSCI™ Lead Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Lead Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSILTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (80) “S&P GSCI™ Lead Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Lead Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters

Screen page “.SPGSILP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (81) “S&P GSCI™ Platinum Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Platinum Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSPLTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (82) “S&P GSCI™ Platinum Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Platinum Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSPLP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (83) “S&P GSCI™ Soybean Oil Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Soybean Oil Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSBOTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (84) “S&P GSCI™ Soybean Oil Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Soybean Oil Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSBOP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (85) “S&P GSCI™ Palladium Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Palladium Index Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSPATR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (86) “S&P GSCI™ Palladium Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ Palladium Index Excess Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SPGSPAP” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (87) “S&P GSCI™ 1 Month Forward Total Return Index” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ 1 Month Forward Total Return Index, stated in U.S. Dollars, published by Standard & Poor’s or its successor, and displayed on Reuters Screen page “.SG1MCITR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (88) “S&P GSCI™ 1 Month Forward Excess Return Index” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the S&P GSCI™ 1 Month Forward Excess Return Index,

stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG1MCIP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (89) "S&P GSCI™ 2 Month Forward Total Return Index" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ 2 Month Forward Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG2MCITR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (90) "S&P GSCI™ 2 Month Forward Excess Return Index" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ 2 Month Forward Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG2MCIP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (91) "S&P GSCI™ 3 Month Forward Total Return Index" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ 3 Month Forward Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG3MCITR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (92) "S&P GSCI™ 3 Month Forward Excess Return Index" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ 3 Month Forward Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG3MCIP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (93) "S&P GSCI™ 4 Month Forward Total Return Index" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ 4 Month Forward Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG4MCITR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (94) "S&P GSCI™ 4 Month Forward Excess Return Index" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ 4 Month Forward Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG4MCIP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (95) "S&P GSCI™ 5 Month Forward Total Return Index" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for the S&P GSCI™ 5 Month Forward Total Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG5MCITR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (96) "S&P GSCI™ 5 Month Forward Excess Return Index" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's

Specified Price for the S&P GSCI™ 5 Month Forward Excess Return Index, stated in U.S. Dollars, published by Standard & Poor's or its successor, and displayed on Reuters Screen page ".SG5MCIP" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (ii) DJ-UBS Commodity Indices
- (1) "DJUBS ComTSM" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for The Dow Jones-UBS Commodity Index Total ReturnSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page "DJUBSTR" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (2) "DJUBS ComSM" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for The Dow Jones-UBS Commodity Index Excess ReturnSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page "DJUBS" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (3) "DJUBSCI-F1TSM" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for The Dow Jones-UBS Commodity Index Total Return 1 Month ForwardSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page "DJUBSF1T" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (4) "DJUBSCI-F1SM" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for The Dow Jones-UBS Commodity Index Excess Return 1 Month ForwardSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page "DJUBSF1" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (5) "DJUBSCI-F2TSM" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for The Dow Jones-UBS Commodity Index Total Return 2 Month ForwardSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page "DJUBSF2T" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (6) "DJUBSCI-F2SM" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for The Dow Jones-UBS Commodity Index Excess Return 2 Month ForwardSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page "DJUBSF2" that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (7) "DJUBSCI-F3TSM" means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day's Specified Price for The Dow Jones-

- UBS Commodity Index Total Return 3 Month ForwardSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSF3T” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (8) “DJUBSCI-F3SM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Commodity Index Excess Return 3 Month ForwardSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSF3” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (9) “DJUBS EneTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Energy Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSENTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (10) “DJUBS EneSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Energy Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSEN” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (11) “DJUBS PetTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Petroleum Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSPETR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (12) “DJUBS PetSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Petroleum Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSPE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (13) “DJUBS LvstckTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Livestock Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSLITR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (14) “DJUBS LvstckSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Livestock Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed

- on Reuters Screen page “DJUBSLI” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (15) “DJUBS GrainsTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Grains Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSGRTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (16) “DJUBS GrainsSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Grains Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSGR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (17) “DJUBS IndMtlTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Industrial Metals Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSINTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (18) “DJUBS IndMtlSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Industrial Metals Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSIN” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (19) “DJUBS PrcMtlTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Precious Metals Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSPRTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (20) “DJUBS PrcMtlSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Precious Metals Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSPR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (21) “DJUBS SftsTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Softs Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSOTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (22) “DJUBS SoftsTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Softs Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones &

Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSO” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (23) “DJUBS ExEngy TRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS ExEnergy Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSXETR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (24) “DJUBS ExEngySM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS ExEnergy Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSXE” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (25) “DJUBS Agri TRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Agriculture Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSAGTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (26) “DJUBS AgriSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Agriculture Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSAG” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (27) “DJUBS50/50 EnAgTSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS 50/50 Energy & Agriculture Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSEATR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (28) “DJUBS50/50 EnAgSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS 50/50 Energy & Agriculture Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSEA” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (29) “DJUBS AluminTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Aluminum Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSALTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (30) “DJUBS AluminumSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Aluminum Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSAL” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (31) “DJUBS SoybenOITRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Soybean Oil Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSBOTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (32) “DJUBS SoybeanOilSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Soybean Oil Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSBO” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (33) “DJUBS CornTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Corn Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSCNTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (34) “DJUBS CornSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Corn Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSCN” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (35) “DJUBS CoffeeTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Coffee Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSKCTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (36) “DJUBS CoffeeSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Coffee Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSKC” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (37) “DJUBS CrudeOilTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Crude Oil Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its

- successor, and displayed on Reuters Screen page “DJUBSCLTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (38) “DJUBS CrudeOilSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Crude Oil Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSCL” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (39) “DJUBS CottonTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Cotton Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSCTTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (40) “DJUBS CottonSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Cotton Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSCT” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (41) “DJUBS GoldTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Gold Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSGCTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (42) “DJUBS GoldSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Gold Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSGC” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (43) “DJUBS CopperTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Copper Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSHGTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (44) “DJUBS CopperSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Copper Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSHG” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (45) “DJUBS HeatOilTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Heating Oil Total Return Sub-IndexSM, stated in U.S.

Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSHOTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (46) “DJUBS HeatOilSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Heating Oil Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSHO” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (47) “DJUBS UnledGasTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Unleaded Gas Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSRBTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (48) “DJUBS UnleadGasSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Unleaded Gas Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSRB” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (49) “DJUBS LiveCattleTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Live Cattle Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSLCTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (50) “DJUBS LiveCattleSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Live Cattle Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSLC” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (51) “DJUBS LeanHogsTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Lean Hogs Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSLHTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (52) “DJUBS LeanHogsSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Lean Hogs Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSLH” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (53) “DJUBS NatrIGasTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Natural Gas Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSNGTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (54) “DJUBS NaturalGasSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Natural Gas Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSNG” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (55) “DJUBS NickelTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Nickel Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSNITR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (56) “DJUBS NickelSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Nickel Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSNI” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (57) “DJUBS SoybeansTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Soybean Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSYTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (58) “DJUBS SoybeansSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Soybean Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSY” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (59) “DJUBS SugarTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Sugar Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSBTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (60) “DJUBS SugarSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Sugar Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on

Reuters Screen page “DJUBSSB” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (61) “DJUBS SilverTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Silver Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSITR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (62) “DJUBS SilverSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Silver Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSI” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (63) “DJUBS WheatTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Wheat Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSWHTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (64) “DJUBS WheatSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Wheat Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSWH” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (65) “DJUBS ZincTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Zinc Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSZSTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (66) “DJUBS ZincSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Zinc Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSZS” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (67) “DJUBS CocoaTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Cocoa Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSCCTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (68) “DJUBS CocoaSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Cocoa Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones &

Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSCC” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (69) “DJUBS PlatinumTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Platinum Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSPLTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (70) “DJUBS PlatinumSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Platinum Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSPL” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (71) “DJUBS LeadTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Lead Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSPBTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (72) “DJUBS LeadSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Lead Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSPB” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (73) “DJUBS TinTRSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Tin Total Return Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSNTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (74) “DJUBS TinSM” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for The Dow Jones-UBS Tin Sub-IndexSM, stated in U.S. Dollars, published by Dow Jones & Company, Inc. or its successor, and UBS AG or its successor, and displayed on Reuters Screen page “DJUBSSN” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (iii) Rogers International Commodity Indices
- (1) “RICI®-Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the RICI® – Index Total Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Reuters Screen page “.ROGRTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.

- (2) “RICI®-Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the RICI® – Index Excess Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Reuters Screen page “.ROGRER” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (3) “RICI®-Agriculture Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the RICI® – Agriculture Index Total Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Reuters Screen page “.ROGRAGTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (4) “RICI®-Agriculture Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the RICI® – Agriculture Index Excess Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Reuters Screen page “.ROGRAGER” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (5) “RICI®-Energy Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the RICI® – Energy Index Total Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Reuters Screen page “.ROGRENTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (6) “RICI®-Energy Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the RICI® – Energy Index Excess Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Reuters Screen page “.ROGRENER” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (7) “RICI®-Metals Index Total Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the RICI® – Metals Index Total Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Reuters Screen page “.ROGRIMTR” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
 - (8) “RICI®-Metals Index Excess Return” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s Specified Price for the RICI® – Metals Index Excess Return, stated in U.S. Dollars, calculated by CQG, Inc. or its successor, and displayed on Reuters Screen page “.ROGRIMER” that displays prices effective on that Valuation Date or Averaging Date, as the case may be.
- (E) Emissions
- (i) ECX
 - (1) “CER CFI-ICE FUTURES” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s official settlement price

per metric tonne of EU Credits on ICE Futures of the ICE ECX CER Futures Contract for the Delivery Date, stated in Euros, as made public by ICE Futures on that Valuation Date or Averaging Date, as the case may be.

- (2) “EU ALLOWANCE-ECX CFI-ICE FUTURES” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s official settlement price per metric tonne of EU Allowances on ICE Futures of the ICE ECX EUA Futures Contract for the Delivery Date, stated in Euros, as made public by ICE Futures on that Valuation Date or Averaging Date, as the case may be.
- (3) “CER-ECX CFI-ICE DAILY FUTURES” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s official settlement price on ICE Futures of the ICE ECX CER Daily Futures Contract for spot delivery, stated in Euros per metric tonne of Certified Emission Reductions, as made public by ICE Futures on that Valuation Date or Averaging Date, as the case may be.
- (4) “EU ALLOWANCE-ECX CFI-ICE DAILY FUTURES” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s official settlement price on ICE Futures of the ICE ECX EUA Daily Futures Contract for spot delivery, stated in Euros per metric tonne of EU Allowances, as made public by ICE Futures on that Valuation Date or Averaging Date, as the case may be.

(ii) **BLUENEXT**

- (1) “BLUENEXT SPOT EUA” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s closing price on BlueNext of the BlueNext Spot EUA Contract 2008-2012, stated in Euros per metric tonne of EU Allowances, as made public by BLUENEXT on that Valuation Date or Averaging Date, as the case may be.
- (2) “BLUENEXT SPOT CER” means that the price for a Valuation Date or Averaging Date, as the case may be, will be that day’s closing price on BlueNext of the BlueNext Spot CER Contract 2008-2012, stated in Euros per metric tonne of EU Credits, as made public by BlueNext on that Valuation Date or Averaging Date, as the case may be.

5.7 Price Sources

“Argus/McCloskey’s” and “Argus/McCloskey’s Coal Price Index Report” each means the Argus/McCloskey’s Coal Price Index Report, or any successor publication, published by Argus Media Limited or its successor and The McCloskey Group Limited.

“Platts European” means Platts European Marketscan, or any successor publication, published by The McGraw-Hill Companies, Inc. or its successor.

“Reuters” means Reuters or its successor.

“Reuters Screen” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

(a) **Exchanges and Principal Trading Markets**

“Bursa Malaysia” means the Bursa Malaysia Derivatives Bhd or its successor.

“CBOT” means the Chicago Board of Trade or its successor.

“CME” means the Chicago Mercantile Exchange or its successor.

“EEX” means the European Energy Exchange AG, or its successor, which reports market prices on its website at <http://www.eex.de> or its successor.

“IPE” means The International Petroleum Exchange of London Ltd., a wholly owned subsidiary of IntercontinentalExchange™, or its successor.

“KCBOT” means the Kansas City Board of Trade or its successor.

“LBMA” means The London Bullion Market Association or its successor.

“LME” means The London Metal Exchange Limited or its successor.

“London Gold Market” means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Gold.

“London Silver Market” means the market in London on which members of the LBMA, amongst other things, quote prices for the buying and selling of Silver.

“LPPM” means The London Platinum and Palladium Market in London on which members quote prices for the buying and selling of Platinum and Palladium.

“NYBOT” means the New York Board of Trade or its successor.

“NYMEX” means the NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“SFE” means the Sydney Futures Exchange Limited (ACN 000 943 377) or its successor.

“TGE” means the Tokyo Grain Exchange or its successor.

“TOCOM” means The Tokyo Commodity Exchange or its successor.

“WCE” means the Winnipeg Commodity Exchange Inc. or its successor.

(b) General

“MMBTU”, “MMBtu” and “mmbtu” each means one million British thermal units.

“MWH”, “MWh” and “mwh” each means megawatt hour.

CHAPTER 6: TERMS AND CONDITIONS FOR ADDITIONAL DISRUPTION EVENTS

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Additional Disruption Events are “Applicable” (the “**Additional Disruption Product Conditions**”). These Additional Disruption Product Conditions are subject to amendment, supplement or variance in accordance with the relevant Final Terms. In the case of any inconsistency between these Additional Disruption Product Conditions, the Base Note Conditions, the Base C&W Conditions and/or the Base General Conditions and/or another set of Product conditions, these Additional Disruption Product Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Additional Disruption Product Conditions, unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Additional Disruption Product Conditions or elsewhere in the Conditions applicable to the Securities will have the meanings given to them in the relevant Final Terms. References in these Additional Disruption Product Conditions to “Securities” are to the Notes or C&W Securities, as the case may be, of one Series only, not to all Securities that may be issued under the Programme.

Unless otherwise specified, references in these Additional Disruption Product Conditions to a Product Condition are to a section or clause of these Additional Disruption Product Conditions.

6 Additional Disruption Events

6.1 Definitions

“**Additional Disruption Event**” means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified hereon.

“**Change in Law**” means that, on or after the Trade Date (as specified hereon), (i) due to the adoption of or any change in any relevant law or regulation (including, without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any relevant law or regulation (including any action taken by a taxing authority), the Bank determines in its sole and absolute discretion that (a) it has become illegal to hold, acquire or dispose of Hedge Positions or (b) the Bank will incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Bank, any Hedging Party and/or any of their respective Affiliates).

“**Hedge Positions**” means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Securities.

“**Hedging Disruption**” means that the Bank, any Hedging Party and/or any of their respective Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Bank issuing and performing its obligations with respect to the Securities or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“**Hedging Party**” has the meaning given to it in the Base General Conditions. “**Hedging Securities**” means, in relation to the Securities, the Reference Items or securities/commodities comprised in an Index or an Inflation Index or other security or commodity that the Bank, any Hedging Party and/or their respective Affiliates deems necessary to hedge the equity or other price risk of the Bank issuing and performing its obligations with respect to the Securities.

“**Increased Cost of Hedging**” means that the Bank, any Hedging Party and/or any of their respective Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute,

maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Bank issuing and performing its obligations with respect to the Securities or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Bank and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“**Increased Cost of Stock Borrow**” means, in relation to the Securities, that the Bank, any Hedging Party and/or any of their respective Affiliates would incur a rate to borrow any Reference Item or any security/commodity comprised in an Index or an Inflation Index or any other security or commodity that it deems reasonable to hedge the equity or other price risk of the Bank issuing or performing its obligation with respect to the Securities that is greater than the Initial Stock Loan Rate.

“**Initial Stock Loan Rate**” means, in relation to the Securities, in respect of a Reference Item or any security/commodity comprised in an Index or an Inflation Index or any other security or commodity that the Bank, any Hedging Party and/or any of their respective Affiliates deems reasonable to hedge the equity or other price risk of the Bank issuing or performing its obligation with respect to the Securities, the rate which the Bank, any Hedging Party and/or any of their respective Affiliates would have incurred to borrow such Reference Item or such other securities or commodities in an amount equal to the Hedging Securities (where applicable), as the case may be, as of the Trade Date, as determined by it.

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

“**Loss of Stock Borrow**” means that the Bank, any Hedging Party and/or any of their respective Affiliate(s) is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Reference Item or any securities/commodities comprised in an Index or an Inflation Index or any other security or commodity that it deems reasonable to hedge the equity or other price risk of the Bank issuing or performing its obligations with respect to the Securities in an amount equal to the Hedging Securities at a rate equal to or less than the Maximum Stock Loan Rate.

“**Maximum Stock Loan Rate**” means, in respect of a Reference Item or a security/commodity comprised in an Index or an Inflation Index or any other security or commodity that the Bank, any Hedging Party and/or any of their respective Affiliates deems reasonable to hedge the equity or other price risk of the Bank issuing or performing its obligations with respect to the Securities, the lowest rate at which the Bank, any Hedging Party and/or any of their respective Affiliates, after using commercially reasonable efforts, would have incurred to borrow (and maintain a borrowing of) such Reference Item or such other security or commodity, as the case may be, in an amount equal to the Hedging Securities, as of the Trade Date, as determined by the Bank.

“**Reference Item**” means the underlying equity security, index, debt security, currency or other items to which the Securities relate.

6.2 Occurrence of Additional Disruption Events

If an Additional Disruption Event occurs, the Bank in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:

- (i) require the Calculation Agent to make the appropriate adjustment, if any, to one or more of the Rate of Interest and/or Interest Amount(s) and/or Final Redemption Amount and/or Cash Settlement Amount and/or the Asset Amount(s) and/or Settlement Price and/or the Exercise Price and/or any of the other terms hereof to account for the Additional Disruption Event and determine the effective date of that adjustment;

- (ii) where the Securities are specified hereon as relating to a basket of Reference Items, and the Additional Disruption Event occurs with respect to a Reference Item comprised in the basket, remove such Reference Item from the basket of Reference Items and, following such removal, the Calculation Agent shall make such adjustment, (if any), as it considers appropriate to any one or more of the Interest Amount(s) and/or the Cash Settlement Amount and/or the Settlement Price and/or the Asset Amount(s) and/or the Exercise Price and/or any of the other terms hereof to account for the Additional Disruption Event and determine the effective date of that adjustment;
- (iii) substitute the relevant Reference Item with a different reference item and, following such substitution, the Calculation Agent shall make such adjustment (if any) as it considers appropriate to the Settlement Price, the Exercise Price and/or any of the other terms hereof; or
- (iv) give notice to the Securityholders in accordance with Base General Condition 15 (*Notices*) and redeem or cancel all, but not some only, of the Securities or, if Units are specified in the relevant Final Terms, the Units, as the case may be, on a date selected by the Bank by payment of the Early Redemption Amount (in case of the Notes) or the Early Cancellation Amount (in the case of C&W Securities) conform to Product Condition 1.3(ii)(4).

If the provisions of this Product Condition 6.2 apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Additional Disruption Event, made by an options exchange to options on the relevant Reference Item traded on that options exchange.

Upon the occurrence (if relevant) of an Additional Disruption Event, the Bank shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 15 (*Notices*) stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

CHAPTER 7: TERMS AND CONDITIONS FOR ALTERNATIVE CURRENCY EQUIVALENT

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Alternative Currency Equivalent is “Applicable” (the “**Alternative Currency Product Conditions**”). These Alternative Currency Product Conditions are subject to amendment, supplement or variance in accordance with the relevant Final Terms. In the case of any inconsistency between these Alternative Currency Product Conditions, the Base Note Conditions, the Base C&W Conditions, the Base General Conditions and/or any applicable Product Conditions, these Alternative Currency Product Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Alternative Currency Product Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Alternative Currency Product Conditions or elsewhere in the Conditions applicable to the Securities will have the meanings given to them in the relevant Final Terms. References in these Alternative Currency Product Conditions to “Securities” are to the Notes or C&W Securities, as the case may be, of one Series only, not to all Securities that may be issued under the Programme.

Unless otherwise specified, references in these Alternative Currency Product Conditions to a Product Condition are to a section or clause of these Alternative Currency Product Conditions.

7 Alternative Currency Equivalent Provisions

7.1 Payment of Alternative Currency Equivalent

Where Alternative Currency Equivalent is specified hereon as being applicable to the Securities, if (following a written request from the Bank that the Alternative Currency Adjudication Agent makes a determination pursuant to this Product Condition), by reason of a Scheduled Payment Currency Disruption Event, it would, in the opinion of the Alternative Currency Adjudication Agent, be commercially impracticable for the Bank to satisfy any payment obligation in respect of the Securities when due in the Scheduled Payment Currency, then the Bank may take the action described in paragraph (a), (b), (c) or (d) below:

- (a) determine that the relevant payment or delivery obligation of the Bank in respect of the Securities be postponed by the number of Business Days (such number, the “**Maximum Days of Postponement**”) specified in the relevant Final Terms, after the date on which the relevant Scheduled Payment Currency Disruption Event ceases to exist, in the determination of the Alternative Currency Adjudication Agent, or, if that would not be commercially reasonable, as soon as commercially reasonable thereafter, in which case the relevant payment or delivery will be due on the date as so postponed, without any interest or other sum payable in respect of the postponement of the payment of such amount;
- (b) determine that the Bank’s obligation to make any payment in respect of the Securities in the Scheduled Payment Currency be replaced by an obligation to make payment of the Alternative Currency Equivalent of such payment, in which case, it will settle any such obligation by payment of the relevant Alternative Currency Equivalent on the due date for payment;
- (c) determine that the relevant payment or delivery obligation in respect of the Securities be postponed by the Maximum Days of Postponement after the date on which the relevant Scheduled Payment Currency Disruption Event ceases to exist, or, if, in the determination of the Alternative Currency Adjudication Agent, that would not be commercially reasonable, as soon as commercially reasonable thereafter (such postponed payment date, the “**Postponed Payment Date**”), and that the Bank’s obligation to make payment in respect of the Securities in the Scheduled Payment Currency be replaced by an obligation to make payment of the Alternative Currency Equivalent, in which case, it will settle any such obligation by payment of the relevant Alternative Currency Equivalent on the Postponed Payment Date, without any interest or other sum payable in respect of the postponement of the payment of such amount; or

- (d) give notice to the Securityholders in accordance with Base General Condition 15 (*Notices*) and redeem or cancel all, but not some only, of the Securities on a date selected by the Bank, by payment of the Alternative Currency Equivalent of, or, if so specified in such notice, an amount in the Scheduled Payment Currency equal to, the Early Redemption Amount (in the case of the Notes) or the Early Cancellation Amount (in the case of the C&W Securities) to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Base General Condition 15 (*Notices*).

Any payment made in the Alternative Currency under such circumstances will constitute valid payment, and will not constitute a default in respect of the Securities.

Upon the occurrence of a Scheduled Payment Currency Disruption Event and the Alternative Currency Adjudication Agent making a determination that, by reason of such Scheduled Payment Currency Disruption Event, it would, in the opinion of the Alternative Currency Adjudication Agent, be commercially impracticable for the Bank to satisfy its payment obligations in respect of the Securities when due in the Scheduled Payment Currency, the Bank shall give notice as soon as practicable to Securityholders in accordance with Base General Condition 15 (*Notices*) stating the occurrence of the Scheduled Payment Currency Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

In making any determination in respect of any Scheduled Payment Currency Disruption Event, neither the Bank nor the Alternative Currency Adjudication Agent shall have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number), and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Securityholders (whatever their number), resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Securityholder, shall be entitled to claim, from the Bank, the Alternative Currency Adjudication Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Securityholders.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Alternative Currency Product Conditions by the Bank or the Alternative Currency Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Bank, the Agents and all Securityholders.

As used herein:

“**Alternative Currency**” means the currency specified as such hereon (or any lawful successor currency to that currency), or, if no Alternative Currency is specified hereon, U.S. dollars;

“**Alternative Currency Adjudication Agent**” means the Alternative Currency Adjudication Agent specified hereon (or any lawful successor to the Alternative Currency Adjudication Agent);

“**Alternative Currency Calculation Agent**” means (i) in the case of CMU Securities denominated in Renminbi, Citicorp International Limited (or any lawful successor thereto), unless otherwise specified hereon; and (ii) in the case of all other Securities, the Alternative Currency Calculation Agent specified hereon (or any lawful successor thereto);

“**Alternative Currency Equivalent**” means, (i) where the Alternative Currency is U.S. dollars, in respect of an amount denominated in the Scheduled Payment Currency, such amount converted into the Alternative Currency using the Spot Rate for the relevant Rate Calculation Date, all as determined by the Alternative Currency Calculation Agent, and (ii) where the Alternative Currency is a currency other than U.S. dollars, in respect of an amount denominated in the Scheduled Payment Currency, such amount converted into the Alternative Currency by (i) converting such amount into an amount expressed in U.S. dollars using the Spot Rate for the relevant Rate Calculation Date, and multiplying the resultant U.S. dollar amount by the USD Spot Rate for the relevant Rate Calculation Date, all as determined by the Alternative Currency Calculation Agent;

“**Governmental Authority**” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the Scheduled Payment Currency Jurisdiction;

“**Illiquidity**” means (i) in respect of any payment obligation in respect of the Securities of any sum, foreign exchange markets for the Scheduled Payment Currency becoming illiquid (including, without limitation, the existence of any significant price distortion) or unavailable as a result of which it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Bank and/or any of its Affiliates to obtain a sufficient amount of the Scheduled Payment Currency in order to satisfy any such obligation or (ii) it becomes impossible or impracticable to obtain a firm quote for exchange of the Scheduled Payment Currency into the Alternative Currency, in each case, as determined by the Alternative Currency Adjudication Agent in its sole and absolute discretion ;

“**Inconvertibility**” means, in respect of any payment or obligation in respect of the Securities, the occurrence of any event that makes it impossible, illegal or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Bank and/or any of its Affiliates to convert (i) any amount due in respect of the Securities in the foreign exchange markets for the Scheduled Payment Currency or (ii) such other amount as may be determined by the Alternative Currency Adjudication Agent in its sole and absolute discretion to be necessary to fulfil the physical delivery obligations (if any) on any settlement date, (including, without limitation, any event that has the direct or indirect effect of hindering, limiting or restricting convertibility by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of one currency into another currency) other than where such impossibility or impracticability is due solely to the failure of the Bank and/or any of its Affiliates to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date and it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Bank, due to an event beyond its control, to comply with such law, rule or regulation);

“**Non-transferability**” means, in respect of any payment obligation in respect of the Securities, the occurrence of any event that makes it impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Bank and/or any of its Affiliates to deliver the Scheduled Payment Currency in relation to any such payment obligation between accounts inside the Scheduled Payment Currency Jurisdiction or between an account inside the Scheduled Payment Currency Jurisdiction and an account outside the Scheduled Payment Currency Jurisdiction, other than where such impossibility or impracticability is due solely to the failure of the Bank and/or any of its Affiliates to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date and it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Bank and/or any of its Affiliates, due to an event beyond its control, to comply with such law, rule or regulation);

“**Rate Calculation Business Day**” means, unless otherwise specified hereon, a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the Rate Calculation Jurisdiction;

“**Rate Calculation Date**” means the day which is the number of Rate Calculation Business Days specified hereon (which shall be two Rate Calculation Business Days where the Scheduled Payment Currency is Renminbi) before the due date for payment of the relevant amount under the Securities or, unless specified otherwise hereon, if the relevant Spot Rate is not available on such day, the last preceding Rate Calculation Business Day on which the relevant Spot Rate was most recently available, as determined by the Alternative Currency Calculation Agent;

“**Rate Calculation Jurisdiction**” means the jurisdiction(s) specified hereon, which shall be the Euro-zone where the Scheduled Payment Currency is Euro or Hong Kong where the Scheduled Payment Currency is Renminbi;

“**Scheduled Payment Currency**” means, the Specified Currency, or, in the case of Currency Linked Securities, the currency in which payment is scheduled to be made on such Securities;

“**Scheduled Payment Currency Disruption Event**” means, in respect of a Scheduled Payment Currency:

- (i) Inconvertibility;
- (ii) Non-transferability;
- (iii) Illiquidity;
- (iv) the Bank and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Bank deems necessary to hedge the currency risk of the Bank issuing and performing its obligations with respect to the Securities or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s); and/or
- (v) any other event specified as a Scheduled Payment Currency Disruption Event in the relevant Final Terms;

“**Scheduled Payment Currency Jurisdiction**” means (i) other than in the case of Euro or Renminbi, the primary jurisdiction for which the Scheduled Payment Currency is the lawful currency, (ii) in the case of Euro, the Euro-zone or (iii) in the case of Renminbi, Hong Kong;

“**Settlement Rate Option**” means, unless otherwise specified hereon, (i) any Rate Source Option (as defined in the Currency Linked Product Conditions) for the exchange of the Scheduled Payment Currency into U.S. dollars, and for the purposes thereof “**Specified Time**” shall have the meaning given to it in the relevant Final Terms, or (ii) such other “**Settlement Rate Options**” as may be included from time to time in Annex A to the 1998 FX and Currency Option Definitions, published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee;

“**Spot Rate**” means, in respect of a Rate Calculation Date, unless otherwise specified hereon, the spot exchange rate for the purchase of U.S. dollars with the Scheduled Payment Currency determined in accordance with the Settlement Rate Option specified in the relevant Final Terms, provided that if such Spot Rate is not available, then the Alternative Currency Calculation Agent will determine the Spot Rate (or a method for determining the Spot Rate), taking into consideration all available information that it deems relevant;

“**USD Settlement Rate Option**” means, unless otherwise specified hereon, any Rate Source Option for the exchange of U.S. dollars into the Alternative Currency, as may be derived from the definitions in the Currency Linked Product Conditions; provided that “**Specified Time**” shall have the meaning given to it in the relevant Final Terms, and provided that USD Settlement Rate Option may also be derived from such other “**Settlement Rate Options**” as may be included from time to time in Annex A to the 1998 FX and Currency Option Definitions, published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee; and

“**USD Spot Rate**” means, for a Rate Calculation Date, unless otherwise specified hereon, the spot exchange rate for the purchase of the Alternative Currency with U.S. dollars in accordance with the USD Settlement Rate Option specified in the relevant Final Terms, provided that if such USD Spot Rate is not available, then the Alternative Currency Calculation Agent will determine the USD Spot Rate (or a method for determining the USD Spot Rate), taking into consideration all available information that it deems relevant.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

If the Global Notes or the Global Note Certificates are stated in the relevant Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), they are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes or the Global Note Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Note Certificates with the Common Safekeeper 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.

Global Notes which are issued in CGN form and Global Note Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository (as defined below) or, in respect of a Global Note or a Global Note Certificate representing CMU Notes, to a sub-custodian nominated by the HKMA as operator of the CMU Service (the “**CMU Operator**”).

Global Notes and Global Note Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

Upon the initial deposit of a Global Note in CGN form with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Note Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository or the Common Safekeeper, as the case may be, may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

A Global Note or Global Note Certificate representing CMU Notes will be held for the account of any members of the CMU Service (each, a “**CMU Member**”) who have accounts with the CMU Operator, or the CMU participants. Persons holding a beneficial interest in the CMU Notes through Euroclear or Clearstream, Luxembourg will hold their interests through an account opened and held by Euroclear or Clearstream, Luxembourg with the CMU Operator. Interests in a Global Note or Global Note Certificate representing CMU Notes will only be shown on, and transfers of interests will be effected through, records maintained by the CMU Operator.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Note Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Bank to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Note Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall

have no claim directly against the Bank in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Note Certificate and such obligations of the Bank will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

While a Global Note or a Global Note Certificate representing CMU Notes is held by or on behalf of the CMU Operator, payments of interest or principal will be made to the persons for whose account a relevant interest in such Global Note or Global Note Certificate is credited as being held by the CMU Operator at the relevant time, as notified to the CMU Fiscal Agent by the CMU Operator in a relevant CMU Instrument Position Report (as defined in the rules of the CMU Service) or in any other relevant notification by the CMU Operator. Such payment will discharge the Bank's obligations in respect of that payment. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the interbank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants.

Payments, transfers, exchanges and other matters relating to interests in a Global Note or a Global Note Certificate representing a CMU Note may be subject to various policies and procedures adopted by the CMU Operator from time to time. None of the Bank, the Dealers, the Fiscal Agent, the CMU Fiscal Agent, the Registrar, the CMU Lodging Agent, nor any of their respective agents will have any responsibility or liability for any aspect of the CMU Operator's records relating to, or for payments made on account of, interests in a Global Note or Global Note Certificate representing a CMU Note, or for maintaining, supervising or reviewing any records relating to such interests.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined in paragraph 6 below):

- (i) if the relevant Final Terms indicates that such temporary Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes, as defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

The CMU Service may require that any such exchange for a permanent Global Note is made in whole and not in part, and in such event no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) have so certified.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Product Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of 3.3 below, Registered Notes:

- (i) by the Bank giving notice to the Noteholders, the Fiscal Agent of its intention to effect such exchange (unless principal in respect of any Notes has not been paid when due);¹
- (ii) if the relevant Final Terms provides that the permanent Global Note is exchangeable at the request of the holder, by the holder (acting on the instructions of the person(s) with beneficial interest(s) in such permanent Global Note) giving notice to the Fiscal Agent of its election for such exchange;²
- (iii) if the permanent Global Note is an Exchangeable Bearer Note, by the holder (acting on the instructions of the person(s) with beneficial interest(s) in such permanent Global Note) giving notice to the Fiscal Agent of its election to exchange the whole or a part of such permanent Global Note for Registered Notes; and
- (iv) otherwise (a) upon the happening of any of the events set out under Base General Condition 13 (*Events of Default and Enforcement*) or (b) if Euroclear or Clearstream, Luxembourg or the CMU Service or an Alternative Clearing System is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearance system satisfactory to the Fiscal Agent is available.

3.3 Global Note Certificates

If the relevant Final Terms state that the Notes are to be represented by a Global Note Certificate on issue, transfers of the holding of Notes represented by any Global Note Certificate pursuant to Base Note Condition 2(b) (*Transfer of Registered Notes*) may only be made in part:

- (i) upon the happening of any of the events set out under Base General Condition 13 (*Events of Default and Enforcement*);
- (ii) if such Notes are held on behalf of Euroclear or Clearstream, Luxembourg or the CMU Service or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so ; or
- (iii) with the consent of the Bank,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the relevant Holder has given the Registrar not less than 30 days' notice at its specified office of such Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (i) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (ii) for Definitive Notes (a) if principal in respect of any Notes is not paid when due or (b) if so provided in, and in accordance with, the Product Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the relevant Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Bank will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery

¹ Not applicable to Notes with a minimum Specified Denomination plus a higher integral multiple of a smaller amount.

² Not applicable to Notes with a minimum Specified Denomination plus a higher integral multiple of a smaller amount.

of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Note Certificates, as the case may be or (iii) if the Global Note is an NGN, the Bank will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them, if applicable, all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and, if applicable, a Talon). Definitive Notes will be security printed and Note Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Bank will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the relevant Fiscal Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Note Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement (provided that, in respect of CMU Notes, the crediting of interests in the relevant Global Note in the CMU Service shall be deemed to be presentation of such Global Note) and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Base Note Condition 6(e)(viii) (*Appointment of Agents*) and Base Note Condition 8(f) (*Taxation*) will apply to Definitive Notes only. If the Global Note is an NGN, or if the Global Note Certificate is held under the NSS, the Bank shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Note Certificate will be reduced accordingly. Payments under an NGN will be made to its holder. Each payment so made will discharge the Bank’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Base General Condition 10 (*Non-Business Days*).

All payments in respect of Notes represented by a Global Note Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive, except 25 December and 1 January.

While a Global Note or a Global Note Certificate representing the CMU Notes is held by or on behalf of the CMU Operator, payments of interest or principal will be made to the persons for whose account a relevant interest in the Global Note Certificate is credited as being held by the CMU Operator at the relevant time, as notified to the relevant Paying Agent by the CMU Operator in a relevant CMU Instrument Position Report or in any other relevant notification by the CMU Operator. Such payment will discharge the Bank's obligations in respect of that payment. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the interbank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants. Unless otherwise specified in the relevant Final Terms, while a CMU Note is lodged with the CMU Service, "**business day**" and "**Business Day**" shall mean a business day or Business Day (as each term is defined in the Product Conditions) on which, in addition to the requirements set out in the Product Conditions or in the relevant Final Terms, the CMU Service is also operating.

Payments, transfers, exchanges and other matters relating to interests in a Global Note or a Global Note Certificate representing CMU Notes may be subject to various policies and procedures adopted by the CMU Operator from time to time. None of the Bank, the Dealers, the Fiscal Agent, the CMU Fiscal Agent, the Registrar or the CMU Lodging Agent, or any of their respective agents, will have any responsibility or liability for any aspect of the CMU Operator's records relating to, or for payments made on account of, interests in such a Global Note or Global Note Certificate, or for maintaining, supervising or reviewing any records relating to such interests.

4.2 Prescription

A claim against the Bank in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 12 years (in the case of principal) and six years (in the case of interest) of the appropriate Relevant Date (as defined in Base Note Condition 8 (*Taxation*)).

4.3 Cancellation

Cancellation of any Note represented by a Global Note that is required by the Product Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note.

4.4 Purchase

Notes represented by a permanent Global Note may only be purchased by the Bank, or any of its subsidiaries or any holding company of the Bank or any other subsidiary of any such holding company, if they are purchased together with the right to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.5 Bank's Option

Any option of the Bank provided for in the Base Note Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Bank giving notice to the Noteholders within the time limits set out in and containing the information required by the Base Note Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. In the event that any option of the Bank is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.6 Noteholders' Options

Any option of the Noteholders provided for in the Product Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the relevant Fiscal Agent (electronically or otherwise) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Product Conditions substantially in the form of, or containing substantially similar information as contained in, the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and, at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is an NGN, or where the Global Note Certificate is held under the NSS, the Bank shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.7 NGN Nominal Amount

Where the Global Note is an NGN, the Bank shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.8 Events of Default

Each Global Note and each Global Note Certificate provides that the holder may cause Notes represented by such Global Note to become due and repayable in the circumstances described in Base General Condition 13 (*Events of Default and Enforcement*) by stating in the notice to the Fiscal Agent or, as the case may be, the CMU Fiscal Agent, the nominal amount of such Notes that are becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Note Certificate may elect for direct enforcement rights against the Bank under the terms of a Notes Deed of Covenant executed as a deed by the Bank on 20 April 2012 to come into effect in relation to the Notes represented by such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as relevant Notes. However, no such election may be made in respect of Notes represented by a Global Note Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.9 Notices

Subject to the immediately following paragraph, so long as any Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to the relative accountholders in substitution for publication as required by the Product Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Note Certificate. Any such notice shall be deemed to have been given to the holders of the Notes on the second business day after such notice is delivered to that clearing system for communication by it to the holders.

For so long as all CMU Notes are represented by a Global Note or a Global Note Certificate and the Global Note or Global Note Certificate is held on behalf of the CMU Operator, notices to holders of the CMU Notes may, in substitution for publication as required by the Product Conditions, be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report (as defined in the rules of the CMU Service) issued by the CMU Operator on the business day preceding the date of despatch of such notice as holding interests in such Global Note or Global Note Certificate for communication to the CMU participants. Any such notice shall be deemed to have been given to the holders of CMU Notes on the second business day after such notice is delivered

to the persons shown in the relevant CMU Instrument Position Report as aforesaid. Indirect participants will have to rely on the CMU participants (through whom they hold the CMU Notes, in the form of interests in a Global Note or a Global Note Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

4.10 Physical Delivery

In respect of Physical Delivery Securities represented by a Global Note or Global Note Certificate to which Physical Delivery applies, the Asset Amount(s) will be delivered at the risk of the relevant Noteholder, in the manner provided below on the Maturity Date (such date, subject to adjustment in accordance with the Conditions, the “**Delivery Date**”).

Delivery of the Asset Amount(s) will (subject as provided below) be made against presentation or surrender, as the case may be, of the relevant Global Note or Global Note Certificate at the specified office of any Paying Agent outside the United States. A record of each delivery made against presentation or surrender of such Global Note or Global Note Certificate will be made on such Global Note or Global Note Certificate on behalf of the Bank by the Paying Agent to which such Global Note or Global Note Certificate is presented for the purpose of making such delivery, and such record shall be prima facie evidence that the delivery in question has been made.

Subject to “*Relationship with Account-holders with Clearing Systems*” above, the holder of a Global Note or Global Note Certificate shall be the only person entitled to receive delivery of the Asset Amount(s) in respect of Notes represented by such Global Note or Global Note Certificate and the Bank will be discharged by delivery to, or to the order of, the holder of such Global Note or Global Note Certificate in respect of each amount so delivered. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Note Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each delivery so made by the Bank to, or to the order of, the holder of such Global Note or Global Note Certificate. No person other than the holder of such Global Note or Global Note Certificate shall have any claim against the Bank in respect of any deliveries due on that Global Note or Global Note Certificate.

4.11 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Bank may forfeit such Notes and shall have no further obligation to their holder in respect of them.

5 CMU

The CMU Operator is under no obligation to maintain or continue to operate the CMU Service nor to perform or continue to perform the procedures described herein. Accordingly, the CMU Service and such procedures may be discontinued or modified at any time. None of the Bank, the Dealers, the Fiscal Agent, the CMU Fiscal Agent, the Registrar, the CMU Lodging Agent, the CMU Certificate and Warrant Agent nor any of their respective agents will have any responsibility for the performance by the CMU Operator or the CMU participants of their respective obligations under the rules and procedures governing their operations.

A Global Note or Global Note Certificate representing CMU Notes will be held for the account of CMU Members who have accounts with the CMU Operator or the CMU participants. Interests in such Global Note or Global Note Certificate will only be shown on, and transfers of interests will be effected through, records maintained by the CMU Operator.

**FORM OF FINAL TERMS OF THE NOTES WITH A DENOMINATION OF LESS THAN €100,000
(OR EQUIVALENT)**

**RELEVANT FINAL TERMS FOR ISSUES BY THE BANK
OF NOTES WITH A DENOMINATION OF LESS THAN €100,000 (OR EQUIVALENT)
TO BE ADMITTED TO TRADING ON AN EEA REGULATED MARKET AND/OR
OFFERED TO THE PUBLIC ON A NON-EXEMPT BASIS IN THE EUROPEAN ECONOMIC
AREA (CGN & NGN)**

Final Terms dated [●]

Lloyds TSB Bank plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Note, Certificate and Warrant Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Note Conditions and the Base General Conditions set forth in the Prospectus dated [date] [and the supplemental Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (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 Bank 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] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

1	Issuer	Lloyds TSB Bank plc
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	[●]
4	Aggregate Nominal Amount	[●]
	(i) [Series:]	[●]
	(ii) [Tranche:]	[●]
5	Issue Price	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]

- (In the case of fungible issue only, if applicable)*
- 6 (i) Specified Denominations: [●]
(ii) Calculation Amount: [●]
- 7 (i) [Issue Date:] [●]
(ii) [Trade Date:] [●]
(iii) [Interest Commencement Date:] [●]
- 8 **Maturity Date** *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] [NB: Care must be taken to ensure that, if the Notes are Index Linked or Equity Linked or otherwise involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions of such Notes, the Maturity Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the final Averaging Date, as the case may be]*
- 9 **Product Conditions**
- (i) Index Linked Product Provisions [Not Applicable/Applicable]
(ii) Inflation Linked Product Provisions [Not Applicable/Applicable]
(iii) Equity Linked Product Provisions [Not Applicable/Applicable]
(iv) Currency Linked Product Provisions [Not Applicable/Applicable]
(v) Commodity Linked Product Provisions [Not Applicable/Applicable]
- 10 **Interest Basis** [[●] per cent. Fixed Rate]
[Specify reference rate] +/- [●] per cent. Floating Rate
[Zero Coupon]
[Index Linked Interest]
[Inflation Linked Interest]
[Equity Linked Interest]
[Currency Linked Interest]
[Commodity Linked Interest]
[Other (*specify*)]
(Further particulars specified below)
- 11 **Redemption/Payment Basis** [Redemption at par]
[Index Linked Redemption]
[Inflation Linked Redemption]
[Equity Linked Redemption]
[Currency Linked Redemption]
[Commodity Linked Redemption]

- [Instalment]
 [Partly Paid]
 [Other (*specify*)]
- 12 Change of Interest or Redemption/Payment Basis** [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
- 13 Alternative Currency Equivalent** [Not Applicable/Applicable]
 (*If not applicable, delete the remaining sub-paragraphs of this paragraph. Where Notes are denominated in Renminbi, it is expected that this paragraph will be marked “Applicable”. If so, the sub-paragraphs below should be completed*)
- (i) Alternative Currency: [●]
- (ii) Alternative Currency Adjudication Agent: [●]
- (iii) Alternative Currency Calculation Agent: [●]
- (iv) Rate Calculation Jurisdiction: [●]
- (v) Rate Calculation Business Days: [●]
- (vi) Specified Time: [●]
- (vii) Scheduled Payment Currency Disruption Events: As specified in the Conditions [and] [*specify additional currency disruption events*]
- (viii) Settlement Rate Option: [●]
- (ix) USD Settlement Rate Option: [*Only applicable where the Alternative Currency is a currency other than U.S. dollars*]
- (x) Maximum Days of Postponement: [●]
- 14 Put/Call Options** [Put Option]
 [Call Option]
 [(Further particulars specified below)]
- 15 Status of the Notes** [Senior]
- 16 Method of distribution** [Syndicated/Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
- 17 Fixed Rate Note Provisions** [Applicable/Not Applicable]
 (*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
 [*NB: Base General Condition 10 (Non-Business Days) will apply if an Interest Payment Date falls on a non-business day*]

- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount³
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [●] (*Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. dollars or Renminbi, unless otherwise agreed*)
- (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) [Business Day Convention: [Applicable – Modified Following Business Day Convention/other (*give details*)/Not Applicable]
[Only applicable where Notes are denominated in Renminbi]
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]

18 Floating Rate Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate for Notes denominated in Euro)

- (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): [●]
(This term is specified in relation to rate determination and not for payment.)
- (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 interest due (if not the Calculation Agent): [●]
- (vii) Screen Rate Determination:
- Reference Rate: [●]
 - Interest Determination Date(s): [●] [*TARGET/City*] Business Days in [*specify City*] prior to [*the first day*] in each Interest Accrual

³ For Renminbi-denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi-denominated Fixed Rate Notes, being rounded upwards”.

	Period/each Interest Payment Date]
– Relevant Screen Page:	[●]
– Relevant Time:	[●]
(viii) ISDA Determination:	
– Floating Rate Option:	[●]
– Designated Maturity:	[●]
– Reset Date:	[●]
(ix) Margin(s):	[+/-][●] per cent. per annum
(x) Minimum Rate of Interest:	[●] per cent. per annum
(xi) Maximum Rate of Interest:	[●] per cent. per annum
(xii) Day Count Fraction:	[●]
(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 Base Note Conditions:	[●]
19 Zero Coupon Note Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Amortisation Yield:	[●] per cent. per annum
(ii) Amortisation Yield compounding basis	[Compounded/Non-compounded] [annually/semi-annually/other]
(iii) Reference Price:	[●]
(iv) Any other formula/basis of determining amount payable:	[●]
20 Index Linked Interest Note, Inflation Linked Interest Note and other variable-linked interest 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, the identity of the relevant Index/Indices or Inflation Index/Inflation Indices and details of the relevant index sponsors and whether such Index/Indices or Inflation Index/Inflation Indices are a Multi-Exchange Index:	[Basket of Indices/Single Index] [Basket of Inflation Indices/Single Inflation Index] [[Give or annex details]] [Name of each Index Sponsor] Multi-Exchange Index [Yes/No] [The Threshold Percentage [applies/does not apply] in relation to such Index]
	<i>(NB: Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a Euro Stoxx index)</i>
(ii) Party responsible for calculating the interest due (if not the	[●]

Calculation Agent):

- (iii) Provisions [in Product Conditions] for determining Coupon where calculated by reference to Index and/or formula and/or other variable: [●]
- (iv) [Calculation Amount:] [●] *(If Nominal Amount used, delete this paragraph)*
- (v) [Nominal Amount:] [●] *(If Calculation Amount used, delete this paragraph)*
- (vi) Exchange(s): [●]
- (vii) Related Exchange(s): [[●]/All Exchanges]
- (viii) [Valuation Date/Averaging Dates:] [●]
- (ix) [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement] *(NB: Only applicable where Averaging Dates are specified)*]
- (x) [Reference Price:] [Product Condition 1.4 *(Definitions relevant to Index Linked Securities)* applies/other]
*(NB: If fallback set out in the definition of “Valuation Date” in Product Condition 1.4 *(Definitions relevant to Index Linked Securities)* does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)*
- (xi) [Relevant Time/Valuation Time:] [Product Condition 1 *(Index Linked Securities)* applies/other]
- (xii) Strike Price: [●]
- (xiii) Trade Date: [●]
- (xiv) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]
(If Correction of Index Levels does not apply, delete the following sub-paragraph)
- (xv) [Correction Cut-Off Date: [[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Interest Payment Date]].
- (xvi) Interest Period(s): [●]
- (xvii) Specified Interest Payment Dates: [●][*NB: Care must be taken to ensure that if the Notes involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions or the Base Note Conditions of such Notes, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable*

- period before the last occurring Valuation Date or the final Averaging Date, as the case may be]*
- (xviii) Interest Determination Dates: Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xix) [Reference Months:]
- (xx) [Related Bond:]
- (xxi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (xxii) Business Centre(s):
(This term is specified in relation to rate determination and not for payment.)
- (xxiii) Minimum Rate of Interest: per cent. per annum
- (xxiv) Maximum Rate of Interest: per cent. per annum
- (xxv) Day Count Fraction:
- (xxvi) Payment Date Extension [Applicable/Not Applicable]
- (xxvii) [Extension Business Days:
(NB: Only applicable where Payment Date Extension is specified)]
- (xxviii) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xxix) Other terms or special conditions:
- 21 Equity Linked Interest Provisions** [Applicable/Not Applicable]
(If not applicable, delete remaining sub-paragraphs of this paragraph)
- (i) Whether the Notes relate to a basket of equity securities or a single equity security and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]
[Specify Underlying Equity and each Equity Issuer]
- (ii) Party responsible for calculating the interest due (if not the Calculation Agent):
- (iii) Provisions for determining Coupon where calculated by reference to Underlying Equity or formula and/or other variable:
- (iv) [Calculation Amount:] *(If Nominal Amount used, delete this paragraph)*
- (v) [Nominal Amount:] *(If Calculation Amount used, delete this paragraph)*
- (vi) Exchange:

- (vii) Related Exchange(s): [[●]/All Exchanges]
- (viii) Potential Adjustment Events: [Applicable/Not Applicable]
- (ix) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (x) Tender Offer: [Applicable/Not Applicable]
- (xi) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Settlement Price shall be calculated without regard to any subsequently published correction]
(If Correction of Underlying Equity Prices does not apply, delete the following sub-paragraph)
- (xii) [Correction Cut-Off Date: [[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Interest Payment Date]]
- (xiii) Valuation Dates/Averaging Dates: [●]
- (xiv) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xv) Valuation Time: [Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) applies/other]
- (xvi) Strike Price: [●]
- (xvii) Exchange Rate: [Applicable/Not Applicable]
[Insert details]
- (xviii) Trade Date: [●]
- (xix) Interest Commencement Date: [●]
- (xx) Interest Period(s): [●]
- (xxi) Specified Interest Payment Dates: [●][NB: *Care must be taken to ensure that, if the Notes involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions or Note Conditions of such Notes, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the final Averaging Date, as the case may be*]
- (xxii) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xxiii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]

- (xxiv) Business Centre(s): [●]
(This term is specified in relation to rate determination and not for payment.)
- (xxv) Minimum Rate of Interest: [●] per cent. per annum
- (xxvi) Maximum Rate of Interest: [●] per cent. per annum
- (xxvii) Day Count Fraction: [●]
- (xxviii) Payment Date Extension: [Applicable/Not Applicable]
- (xxix) [Extension Business Days: [●]
(NB: Only applicable where Payment Date Extension is specified)]
- (xxx) Other terms or special conditions: [●]
- 22 Currency Linked Interest Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Single FX Rate or Basket of FX Rates: [Single FX Rate/Basket of FX Rates]
- (ii) [Calculation Amount:] [●] *(If Nominal Amount used, delete this paragraph)*
(Specify, in the case of Currency Linked Securities represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)
- (iii) [Nominal Amount:] [●] *(If Calculation Amount used, delete this paragraph)*
- (iv) Party responsible for calculating the interest due (if not the Calculation Agent): [●]
- (v) Interest Commencement Date: [●]
- (vi) Reference Currency/Reference Currencies: [●]
- (vii) Base Currency: [●]
- (viii) FX Price Source: [●] *(For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)*
- (ix) FX Rate Sponsor: [Not Applicable/[●]]⁴ *(For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)*
- (x) Provisions for determining the Interest Amount where calculated by reference to an FX Rate and/or formula and/or other variable:

⁴ Usually applicable in respect of emerging market currencies.

- (xi) Number of FX Settlement Days: [Not Applicable/[●]]⁵
- (xii) Valuation Date(s)/Averaging Date(s): [Not Applicable/[●]]
- (xiii) Valuation Time: [●]
- (xiv) FX Disruption Events: [Benchmark Obligation Default]
[Price Materiality]
[Currency Replacement]
[Dual Exchange Rate]
[Governmental Authority Event]
[Illiquidity]
[Inconvertibility]
[Non-Transferability]
[Price Source Disruption]
[Unscheduled Holiday]
- (xv) Benchmark Obligation: [●]
- Primary Rate: [●]
- Secondary Rate: [●]
- Price Materiality Percentage: [●]
- Any other FX Disruption Events: [None][Specify others]
- (xvi) Disruption Fallbacks:
– Calculation Agent Determination: [Not Applicable/Applicable – to be applied [first/second/third]
– Fallback Reference Price: [Not Applicable/Applicable – to be applied [first/second/third]]
– Other: [Not Applicable/Applicable – to be applied [first/second/third]
- (xvii) Successor Currency: [Not Applicable/Applicable]
- (xviii) Rebasing: [Not Applicable/Applicable]
- (xix) Trade Date: [●]
- (xx) Specified Period(s): [●]
- (xxi) Specified Interest Payment Dates: [●][NB: Care must be taken to ensure that if the Securities involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Conditions of such Securities, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the Final Averaging Date, as the case may be]
- (xxii) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging

⁵ Usually applicable in respect of emerging market currencies.

- Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xxiii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (xxiv) Business Centre(s): [●]
(This term is specified in relation to rate determination and not for payment.)
- (xxv) Minimum Rate of Interest: [●] per cent. per annum
- (xxvi) Maximum Rate of Interest: [●] per cent. per annum
- (xxvii) Day Count Fraction: [●]
- (xxviii) [Payment Date Extension:] [Applicable/Not Applicable]
- (xxix) [Extension Business Days:] [●]
(NB: Only applicable where Payment Date Extension is specified)
- (xxx) Other terms or special conditions: [●]
- 23 Commodity Linked Interest Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Relevant Commodity/Commodity Index/Basket of Commodities or Commodity Indices (including weighting of commodities/commodity indices): [Relevant Commodity: [●]]
[Commodity Index: [●]]
[Basket of Commodities/Commodity Indices: [●]]
(include weighting)
[Commodity Index Sponsor: [●]]
- (ii) [Calculation Amount:] [●] *(If Nominal Amount used, delete this paragraph)*
- (iii) [Nominal Amount:] [●] *(If Calculation Amount used, delete this paragraph)*
- (iv) Party responsible for calculating the interest payable (if not the Calculation Agent): [●]
- (v) Commodity Reference Price: [●]
- (vi) Interest Commencement Date: [Base Note Condition 4(b)(i) *(Interest Payment Dates)* applies/other *(specify)*]
- (vii) Valuation Time: [●]
- (viii) Provisions for determining the Interest Amount where calculated by reference to a Commodity or a Commodity Index and/or formula and/or other variable: [●]
- (ix) Price Source(s): [●]
- (x) Exchange(s): [●]

- (xi) Specified Price: [●]
- (xii) Delivery Date: [●]
- (xiii) Common Pricing: [Applicable] [Not applicable] *(include only if Basket of Commodities/Commodity Indices)*
- (xiv) Commodity Market Disruption Events:
(With respect to a Relevant Commodity:)
 Price Source Disruption: [Applicable/Not Applicable]
 Trading Disruption: [Applicable/Not Applicable]
 Disappearance of Commodity Reference Price: [Applicable/Not Applicable]
 Material Change in Formula: [Applicable/Not Applicable]
 Material Change in Content: [Applicable/Not Applicable]
 Tax Disruption: [Applicable/Not Applicable]
(With respect to a Commodity Index:)
 Index Price Source Disruption: [Applicable/Not Applicable]
 Index Trading Disruption: [Applicable/Not Applicable]
 Closing Price Volatility: [Applicable/Not Applicable]
 [Other *(Specify)*]
- (xv) Disruption Fallback(s): [As per Product Condition 5.3 *(Adjustments to a Commodity)*][Other *(specify any other applicable additional Disruption Fallback(s))*]
- (xvi) Maximum Days of Disruption: [●]
 Additional provisions for Trading Disruption: *[If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies]*
- (xvii) Adjustments to Commodity Index: [As per Product Condition 5.3 *(Adjustments to a Commodity)*]
 [Other *(specify)*]
- (xviii) Correction of Commodity Prices: Correction of Commodity Prices [applies/does not apply and the Relevant Commodity Price shall be calculated without regard to any subsequently published correction].
(If Correction of Commodity Prices does not apply, delete the following sub-paragraph)
- (xix) [Correction Cut-Off Date: [[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Interest Payment Date]]
- (xx) [Commodity Index *[Insert additional information on Commodity Index*

Disclaimer:]		<i>Disclaimer per Product Condition 5.3(f) (Commodity Index Disclaimer)] (NB only applicable where Securities are linked to one or more Commodity Indices)</i>
(xxi)	Valuation Dates/Averaging Dates:	[●]
(xxii)	Common Scheduled Trading Days:	[Applicable/Not Applicable]
(xxiii)	Valuation Time:	[●]
(xxiv)	Settlement Price:	[Product Condition 5 (Commodity Linked Securities) applies/other] <i>(NB: If fallback set out in the definition of “Valuation Date” in Product Condition 5 (Commodity Linked Securities) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)</i>
(xxv)	Specified Period(s):	[●]
(xxvi)	Specified Interest Payment Dates:	[●][<i>NB: Care must be taken to ensure that if the Securities involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions of such Securities, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the Final Averaging Date, as the case may be]</i>
(xxvii)	Interest Determination Dates:	[[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date].
(xxviii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(xxix)	Business Centre(s):	[●] <i>(This term is specified in relation to rate determination and not for payment.)</i>
(xxx)	Minimum Rate of Interest:	[●] per cent. per annum
(xxxi)	Maximum Rate of Interest:	[●] per cent. per annum
(xxxii)	Day Count Fraction:	[●]
(xxxiii)	Payment Date Extension:	[Applicable/Not Applicable]
(xxxiv)	[Extension Business Days:	[●] <i>(NB: Only applicable where Payment Date Extension is specified)]</i>

- (xxxv) [Bullion Business Centre(s):] [●]
 (xxxvi) [Bullion Delivery Location(s):] [●]
 (xxxvii) Other terms or special conditions: [●]

PROVISIONS RELATING TO REDEMPTION

- 24 Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Calculation Amount
 (iii) If redeemable in part: [●]
 (a) Minimum Redemption Amount: [●]
 (b) Maximum Redemption Amount: [●]
 (iv) Notice period: [●]
- 25 Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Calculation Amount
 (iii) Notice period: [●]
- 26 Final Redemption Amount** [[●] per Calculation Amount/other/see Appendix]
(Where Notes are Index Linked Redemption Notes, Inflation Linked Redemption Notes, Equity Linked Redemption Notes, Currency Linked Redemption Notes or Commodity Linked Redemption Notes specify “Not Applicable” and complete item 32, 33, 36 or 37 below as applicable)
- 27 Settlement** Settlement will be by way of [cash payment] [and/or] [physical delivery]
- 28 Expenses** [Applicable/Not Applicable]
- 29 Unwind Costs for Disruption Cash Settlement Price and Failure to Deliver Settlement Price** [Applicable/Not Applicable]
- 30 Bank’s option to vary settlement** The Bank [has/does not have] the option to vary settlement in respect of the Notes pursuant to Base

	Note Condition 7(d)
31 Cash Settlement Amount	[Insert details]
32 Index Linked, Inflation Linked and other variable-linked Redemption 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, the identity of the relevant Index/Indices or Inflation Index/Inflation Indices and details of the relevant index sponsors and whether such Index/Indices or Inflation Index/Inflation Indices are a Multi-Exchange Index:	[Basket of Indices/Single Index][Basket of Inflation Indices/Single Inflation Index] [(Give or annex details)] [Details of each Index Sponsor] Multi-Exchange Index [Yes/No] [The Threshold Percentage [applies/does not apply] in relation to such Index]
	<i>(NB: Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a Euro Stoxx index)</i>
(ii) Party responsible for making calculations pursuant to [Product Condition 1 (<i>Index Linked Securities</i>)]/[Product Condition 2 (<i>Inflation Linked Securities</i>)] (if not the Calculation Agent):	[●]
(iii) Exchange(s):	[●]
(iv) Related Exchange(s):	[[●]/All Exchanges]
(v) [Reference Month:]	[●]
(vi) [Related Bond:]	[●]
(vii) [Valuation Date/Averaging Dates/Interest Determination Date:]	[●]
(viii) [Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement] <i>(NB: Only applicable where Averaging Dates are specified)</i>
(ix) [Settlement Price:	[Product Condition 1.4 (<i>Definitions relevant to Index Linked Securities</i>) applies/other]] <i>(NB: If fallback set out in the definition of “Valuation Date” in Product Condition 1.4 (<i>Definitions relevant to Index Linked Securities</i>) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)</i>
(x) [Relevant Time/Valuation Time:]	[Product Condition 1 (<i>Index Linked Securities</i>) applies/other]

- (xi) Strike Price: [●]
- (xii) Trade Date: [●]
- (xiii) Correction of Index Levels: Correction of Index Levels
[applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].
(If Correction of Index Levels does not apply, delete the following sub-paragraph)
- (xiv) [Correction Cut-Off Date: [[●] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date]].
- (xv) Maturity Date Extension: [Applicable/Not Applicable]
- (xvi) [Extension Business Days: [●]
(NB: Only applicable where Maturity Date Extension is specified)
- (xvii) Other terms or special conditions: [●]

33 Equity Linked Redemption 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 and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]
[Specify details of each Underlying Equity and each Equity Issuer]
- (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 specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)*
- (iii) Party responsible for making calculations pursuant to Product Condition 3 (*Equity Linked Securities*) (if not the Calculation Agent): [●]
- (iv) Exchange: [●]
- (v) Related Exchange(s): [[●]/All Exchanges]
- (vi) Potential Adjustment Events: [Applicable/Not Applicable]
- (vii) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (viii) Tender Offer: [Applicable/Not Applicable]
- (ix) Correction of Underlying Equity: Correction of Underlying Equity Prices [applies/does

- Prices: not apply and the Settlement Price shall be calculated without regard to any subsequently published correction].
- (If Correction of Underlying Equity Prices does not apply, delete the following sub-paragraph)*
- (x) [Correction Cut-Off Date: [[●] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date]]
- (xi) Final Redemption Amount: [*Express per Calculation Amount*]
- (xii) [Valuation Date/Averaging Dates]: [●]
- (xiii) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xiv) [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement] (*NB: only applicable where Averaging Dates are specified*)]
- (xv) Settlement Price: [●][Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) applies [and the Settlement Price shall be determined by reference to the price of the relevant Underlying Equity at the Valuation Time on the Valuation Date]/other] (*NB: If fallback set out in the definition of “Valuation Date” in Product Condition 3.4 (Definitions relevant to Equity Linked Securities) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day*)
- (xvi) Valuation Time: [Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) applies/other]
- (xvii) Strike Price: [●]
- (xviii) Exchange Rate: [Applicable/Not Applicable]
[*Insert details*]
- (xix) Trade Date: [●]
- (xx) Relevant Assets: [●] (Further particulars specified below) [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxi) Asset Amount(s): [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxii) Cut-Off Date: [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxiii) Final Date: [●]
- (xxiv) Delivery provisions for Asset Amount(s) (including details [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]

of who is to make such delivery) if different from Base Note Conditions/Product Conditions:

- (xxv) Maturity Date Extension: [Applicable/Not Applicable]
- (xxvi) [Extension Business Days: [●]
(NB: Only applicable where Maturity Date Extension is specified)]
- (xxvii) Failure to Deliver due to Illiquidity: [Applicable/Not Applicable]

(NB: Only applicable to certain types of Equity Linked Redemption Notes)
- (xxviii) Other terms or special conditions: [●]

34 Relevant Assets [Applicable/Not Applicable]

- (i) Type and class of Relevant Asset(s): [●]
- (ii) Legislation under which the Relevant Asset(s) has/have been created: [●]
- (iii) Form of the Relevant Asset(s): [●]
- (iv) Currency of the Relevant Asset(s): [●]
- (v) Rights attaching to the Relevant Asset(s): [●]
(Need to include information relating to dividend rights (as per paragraph 1.5 of Annex 14 of Commission Regulation (EC) 809/2004), voting rights, pre-emption rights in offers for subscription of Relevant Asset(s) of the same class, rights to share in the issuer of the Relevant Asset's/Assets' profits, rights to share in any surplus in the event of liquidation, redemption provisions and conversion provisions, in each case to the extent applicable)
- (vi) Listing of the Relevant Asset(s): [[●] (specify)/None]
- (vii) Description of any restrictions on the free transferability of the Relevant Asset(s): [●]
- (viii) Details of the existence of any mandatory takeover bids/or squeeze-out and sell-out rules in relation to the Relevant Asset(s): [●]
- (ix) Details of any public takeover bids made by third parties in respect of the Relevant

Asset(s), which have occurred during the last financial year and the current financial year, including the price or exchange terms attaching to such offers and the outcome thereof:

- (x) Impact on the issuer of the Relevant Asset(s) of the exercise of the right and any potential dilution effect for the Relevant Asset holders: [●]

35 Additional Disruption Events

[Applicable/Not Applicable]

[Additional Disruption Events are only applicable to certain types of Index Linked Notes or Equity Linked Notes]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

(NB: Only applicable in the case of Equity Linked Notes)

[Loss of Stock Borrow]

36 Currency Linked Redemption Provisions

[Applicable/Not Applicable]

(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Single FX Rate or Basket of FX Rates: [Single FX Rate/Basket of FX Rates]
- (ii) Calculation Amount: [●] *(If Nominal Amount used, delete this paragraph)*
(Specify, in the case of Currency Notes represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)
- (iii) Nominal Amount: [●] *(If Calculation Amount used, delete this paragraph)*
- (iv) Reference Currency/Reference Currencies: [●]
- (v) Base Currency: [●]
- (vi) FX Price Source: [●] *(For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)*

- (vii) FX Rate Sponsor: [Not Applicable/[●]]⁶ (*For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency*)
- (viii) Number of FX Settlement Days: [Not Applicable/[●]]⁷
- (ix) Valuation Date(s)/Averaging Date(s): [Not Applicable/[●]]
- (x) Valuation time: [●]
- (xi) FX Disruption Events: [Benchmark Obligation Default]
[Price Materiality]
[Currency Replacement]
[Dual Exchange Rate]
[Governmental Authority Event]
[Illiquidity]
[Inconvertibility]
[Non-Transferability]
[Price Source Disruption]
[Unscheduled Holiday]
- Benchmark Obligation: [●]
- Primary Rate: [●]
- Secondary Rate: [●]
- Price Materiality Percentage: [●]
- Any other FX Disruption Events: [None][*Specify others*]
- (xii) Disruption Fallbacks:
- (a) Calculation Agent Determination: [Not Applicable/Applicable – to be applied [first/second/third]
- (b) Fallback Reference Price: [Not Applicable/Applicable – to be applied [first/second/ third]]
- (c) Other: [Not Applicable/Applicable – to be applied [first/second/third]
- (xiii) Settlement Price: [●]
- (xiv) Cash Settlement Amount: [*Express per Calculation Amount*]
- (xv) Successor Currency: [Not Applicable/Applicable]
- (xvi) Rebasing: [Not Applicable/Applicable]
- (xvii) [Maturity Date Extension:] [Applicable/Not Applicable]
(*NB: only applicable where Maturity Date Extension is specified*)
- (xviii) Other terms or special conditions: [●]

37 Commodity Linked Redemption Provisions

[Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-*

⁶ Usually applicable in respect of emerging market currencies.

⁷ Usually applicable in respect of emerging market currencies.

- paragraphs of this paragraph)*
- (i) Relevant Commodity/Commodity Index/Basket of Commodities or Commodity Indices (including weighting of commodities/commodity indices). [Relevant Commodity: [●]]
[Commodity Index: [●]]
[Basket of Commodities/Commodity Indices: [●]]
(include weighting)
[Commodity Index Sponsor: [●]]
- (ii) Calculation Amount: [●] *(If Nominal Amount used, delete this paragraph)*
(Specify, in the case of Commodity Notes represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)
- (iii) Nominal Amount: [●] *(If Calculation Amount used, delete this paragraph)*
- (iv) Commodity Reference Price: [●]
- (v) Price Source(s): [●]
- (vi) Exchange(s): [●]
- (vii) Specified Price: [●]
- (viii) Delivery Date: [●]
- (ix) Common Pricing: [Applicable] [Not applicable] *(include only if Basket of Commodities/Commodity Indices)*
- (x) Cash Settlement Amount: *[Express per Calculation Amount]*
- (xi) Commodity Market Disruption Events:
(With respect to a Relevant Commodity:)
Price Source Disruption: [Applicable/Not Applicable]
Trading Disruption: [Applicable/Not Applicable]
Disappearance of Commodity Reference Price: [Applicable/Not Applicable]
Material Change in Formula: [Applicable/Not Applicable]
Material Change in Content: [Applicable/Not Applicable]
Tax Disruption: [Applicable/Not Applicable]
(With respect to a Commodity Index:)
Index Price Source Disruption: [Applicable/Not Applicable]
Index Trading Disruption: [Applicable/Not Applicable]
Closing Price Volatility: [Applicable/Not Applicable]
[Other *(Specify)*]
- (xii) Disruption Fallback(s): [As per Product Condition 5.3 *(Adjustments to a Commodity)*]
[Other *(specify any other applicable additional Disruption Fallback(s))*]

- (xiii) Maximum Days of Disruption: [●]
- (xiv) Additional provisions for Trading Disruption: *[If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies]*
- (xv) Settlement Price: *[Product Condition 5 (Commodity Linked Securities) applies/other]*
- (xvi) Adjustments to Commodity Index: *[As per Product Condition 5.3 (Adjustments to a Commodity)]*
[Other (specify)]
- (xvii) Correction of Commodity Prices: Correction of Commodity Prices *[applies/does not apply and the Relevant Commodity Price shall be calculated without regard to any subsequently published correction].*
(If Correction of Commodity Prices does not apply, delete the following sub-paragraph)
- (xviii) [Correction Cut-Off Date: *[[●] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date]]*
- (xix) [Commodity Index Disclaimer:] *[Insert additional information on Commodity Index Disclaimer per Product Condition 5.3(f) (Commodity Index Disclaimer)] (NB: only applicable where Securities are linked to one or more Commodity Indices)*
- (xx) Valuation Dates/Averaging Dates: [●]
- (xxi) Common Scheduled Trading Days: *[Applicable/Not Applicable]*
- (xxii) Valuation Time: [●]
- (xxiii) Relevant Assets: *[●] (Further particulars specified below) [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*
- (xxiv) Asset Amount(s): *[●] [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*
- (xxv) Cut-Off Date: *[●] [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*
- (xxvi) Final Date: [●]
- (xxvii) Delivery provisions for Asset Amount(s) (including details of who is to make such delivery) if different from Base Note Conditions/Product Conditions: *[●] [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*
- (xxviii) Maturity Date Extension: *[Applicable/Not Applicable]*

- (xxix) [Extension Business Days: [●]
(NB: Only applicable where Maturity Date Extension is specified)]
- (xxx) [Bullion Business Centre(s):] [●]
- (xxx1) [Bullion Delivery [●]
Location(s):]
- (xxxii) Other terms or special [●]
conditions:

38 Early Redemption Amount

Early Redemption Amount(s) payable on redemption for: (a) an illegality or change in law; (b) taxation reasons or on event of default or other early redemption; (c) in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Product Condition 1.3(ii)(4); (d) in the case of Inflation Linked Notes, following the cessation of publication of the Index in accordance with Product Condition 2.3(b)(v) (*Cessation of Publication*); (e) in the case of Equity Linked Notes, following certain corporate events in accordance with Product Condition 3.3 (*Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Securities in respect of Underlying Equities and Correction of Underlying Equity Prices*); (f) in the case of Currency Linked Securities, following a Rebasing (if applicable) in accordance with Product Condition 4.5(d) (*Rebasing of Securities*); (g) in the case of Commodity Linked Securities, following an adjustment event in accordance with Product Condition 5.3(e) (*Adjustments to Commodity Index*) and/or the method of calculating the same (if required or if different from that set out in the Product Conditions); (h) if so specified herein, following an Additional Disruption Event (if applicable) in accordance with Product Condition 6.2(iv) (*Occurrence of Additional Disruption Events*); or (i) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Product Condition 7.1 (*Payment of Alternative Currency Equivalent*) and/or the method of calculating

[As specified in the Conditions][Other]

the same (if required or if different from that set out in the Product Conditions):

- | | | |
|----|---|-----------------------------|
| 39 | Unwind Costs: | [Applicable/Not Applicable] |
| 40 | Disruption Cash Settlement Price Unwind Costs: | [Applicable/Not Applicable] |
| 41 | Failure to Deliver Settlement Price Unwind Costs: | [Applicable/Not Applicable] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

42 Form of Notes

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

(In relation to any issue of Notes which are expressed to be exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination provided) and integral multiples thereof)

[Registered Notes – Global Note Certificate[s]] – [Euroclear/Clearstream Luxembourg]/[CMU Service]

[CREST Depository Interests (“CDIs”) representing the Notes may also be issued in accordance with the usual procedures of Euroclear UK & Ireland Limited (“CREST”)]

- | | | |
|----|---|---|
| 43 | New Global Note | [Yes] [No] |
| 44 | Additional Financial Centre(s) or other special provisions relating to payment dates | [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates] |
| 45 | 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] |
| 46 | 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 Bank to forfeit the Notes and | [Not Applicable/give details] |

	interest due on late payment]	
47	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made	[Not Applicable/ <i>give details</i>]
48	Redenomination, renominalisation and reconventioning provisions	[Not Applicable/The provisions annexed to these Final Terms apply]
49	Consolidation provisions	[Not Applicable/The provisions in [Base General Condition 2 (<i>Further Issues</i>)] [annexed to these Final Terms] apply]
50	Name and address of Calculation Agent	The Calculation Agent is [●] (N.B. Only applicable if Lloyds TSB Bank plc is not the Calculation Agent)
51	Other final terms	[Not Applicable/ <i>give details</i>] <i>(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)</i>

DISTRIBUTION

52	(i) If syndicated, names and addresses of Managers and underwriting commitments:	[Not Applicable/ <i>give names, addresses and underwriting commitments</i>] <i>(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)</i>
	(ii) Date of [Subscription] Agreement:	[●]
	(iii) Stabilising Manager(s) (if any):	[Not Applicable/ <i>give name</i>]
53	If non-syndicated, name and address of Dealer	[Not Applicable/ <i>give name and address</i>]
54	Total commission and concession	[●] per cent. of the Aggregate Nominal Amount
55	U.S. Selling Restrictions	[Reg S Category 2; TEFRA C/TEFRA D/TEFRA Not Applicable]
56	Non-exempt Offer	[An offer of the Notes may be made by the Managers [and [<i>specify, if applicable</i>]] other than pursuant to Article 3(2) of the Prospectus Directive in [<i>specify relevant Member States(s) – which must be jurisdictions where the Prospectus and any supplements have been passported</i>] during the period from [<i>specify date</i>] until [<i>specify date</i>] [Not Applicable]
57	Additional selling restrictions	[Not Applicable/ <i>give details</i>]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue [and] [public offer in the countries specified in paragraph 56] [and] admission to trading of the Notes described herein pursuant to the Note, Certificate and Warrant Programme of Lloyds TSB Bank plc].

RESPONSIBILITY

The Bank accepts responsibility for the information contained in these Final Terms.

[Information on underlying assets] has been extracted from [source]. The Bank 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Bank:

By:

.....

Duly authorised

PART B — OTHER INFORMATION

1 Listing

- (i) Listing: [London/Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted 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*)
- (iii) Estimate of total expenses related to admission to trading: [●]

2 Ratings

- Ratings: [The Notes to be issued have not been rated]
 [The Notes to be issued have been rated:
 [S & P: [●]]
 [Moody's: [●]]
 [[Other]: [●]]
 [and endorsed by [●]] (*Insert this wording where one or more ratings included in the Final Terms has been endorsed by an EU registered credit rating agency for the purposes of Article 4(3) of the CRA Regulation*)
 [Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]
 (*The above disclosure should only normally be included where the issue has been specifically rated.*)
 Insert one (or more) of the following options, as applicable:
- Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:**
 [Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the "CRA Regulation").
- Option 2: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulations:**
 [Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (the "CRA Regulation").

Option 3: CRA is *not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:*

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

Option 4: CRA is *neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:*

[Insert legal name of particular credit rating agency providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

3 [Notification]

The [include name of competent authority in EEA home Member State] [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

4 [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 [*Offering and Sale*], so far as the Bank is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

5 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 making profit and/or hedging certain risks 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: [●]

[Include breakdown of expenses]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, it is only necessary to include disclosure of net proceeds

and total expenses at (ii) and (iii) above where disclosure is included at (i) above)]

6 [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.]

7 [Floating Rate Notes only — HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

8 [Index Linked, Inflation Linked, Equity Linked, Currency Linked, Commodity Linked or other variable-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

Need to include details of where past and future performance and volatility of the index/formula/Underlying Equities/currencies/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 Bank and if the index is not composed by the Bank need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]

9 [Currency Linked Notes only — PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE

Need to include details of where past and future performance and volatility of the relevant rate[s] 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 third-party information is incorporated under items (8) - (9) above, include the following statement:]

[The information set out above constitutes third-party information and were obtained in the [English] language from [_____] published by [_____]. [The information found at [*specify source*] referred to in the previous sentence does not form part of and is not incorporated by reference into these Final Terms.] The information set out above have been accurately reproduced from the sources identified above and, so far as the Bank is aware and is able to ascertain from information published by the third parties referred to above, no facts have been omitted which would render the information set out above inaccurate or misleading.]

10 Operational Information

ISIN Code:

[●]/[Not Applicable]

Common Code:

[●]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):

[Not Applicable/*give name(s) and number(s) [and addresses]*]

[The Notes will also be made eligible for CREST via the issue of CDIs representing the Notes.]

[The Notes will be cleared through the CMU Service. CMU Instrument Number: [●].

Persons holding a beneficial interest in the Notes

	through Euroclear or Clearstream, Luxembourg will hold their interests through an account opened and held by Euroclear or Clearstream, Luxembourg (as applicable) with the CMU Operator.][<i>include this text for CMU Notes only</i>]
	[The Notes will be cleared through Euroclear Sweden.]
Delivery:	Delivery [against/free of] payment
[Swedish Issue Agent]	[•]
Names and addresses of additional Paying Agent(s) (if any):	[•]/[Not Applicable]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No]. [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee for the common safekeeper,][<i>include this text for Registered Notes</i>]] 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.] [<i>include this text if “yes” selected in which case bearer Notes must be issued in NGN form</i>]

11 Terms and Conditions of the Offer

Offer Period:	[[•] to [•]]
Offer Price:	[•]
Base Note Conditions to which the offer is subject:	[Not Applicable/ <i>give details</i>]
Description of the application process:	[Not Applicable/ <i>give details</i>]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>give details</i>]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/ <i>give details</i>]
Manner and date in which results of the offer are to be made public:	[Not Applicable/ <i>give details</i>]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i>]
Categories of potential investors to which	[Not Applicable/ <i>give details</i>]

the Notes are offered and whether tranche(s) have been reserved for certain countries:

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 Bank, of the placers in the various countries where the offer takes place: [None/*give details*]

**FORM OF FINAL TERMS OF THE NOTES WITH A DENOMINATION OF AT LEAST €100,000
(OR EQUIVALENT)**

**RELEVANT FINAL TERMS FOR ISSUES BY THE BANK
OF NOTES WITH A DENOMINATION OF AT LEAST €100,000 (OR EQUIVALENT)
TO BE ADMITTED TO TRADING ON AN EEA REGULATED MARKET (CGN & NGN)**

Final Terms dated [●]

Lloyds TSB Bank plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Note, Certificate and Warrant Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Note Conditions and the Base General Conditions set forth in the Prospectus dated [date] [and the supplemental Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (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 Bank 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] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

1	Issuer	Lloyds TSB Bank plc
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	[●]
4	Aggregate Nominal Amount	[●]
	(i) [Series:]	[●]
	(ii) [Tranche:]	[●]
5	Issue Price	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] <i>(In the case of the fungible issue only, if applicable)</i>
6	(i) Specified Denominations:	[●]

	(ii) Calculation Amount:	[●]
7	(i) [Issue Date:]	[●]
	(ii) [Trade Date:]	[The Trade Date for the purposes of Product Condition 6 (<i>Additional Disruption Events</i>) is [●]/[Not Applicable].
	(iii) [Interest Commencement Date:]	[●]
8	Maturity Date	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] <i>[NB: Care must be taken to ensure that if the Notes are Index Linked, Inflation Linked, Equity Linked, Currency Linked or Commodity Linked or otherwise involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions or Base Note Conditions of such Notes, the Maturity Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the final Averaging Date, as the case may be]</i>
9	Product Conditions	
	(i) Index Linked Product Provisions	[Not Applicable/Applicable]
	(ii) Inflation Linked Product Provisions	[Not Applicable/Applicable]
	(iii) Equity Linked Product Provisions	[Not Applicable/Applicable]
	(iv) Currency Linked Product Provisions	[Not Applicable/Applicable]
	(v) Commodity Linked Product Provisions	[Not Applicable/Applicable]
10	Interest Basis	[● per cent. Fixed Rate] [[specify reference rate] +/- ● per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Inflation Linked Interest] [Equity Linked Interest] [Currency Linked Interest] [Commodity Linked Interest] [Other (specify)]
11	Redemption/Payment Basis	[Redemption at par] [Index Linked Redemption] [Equity Linked Redemption] [Inflation Linked Redemption] [Currency Linked Redemption] [Commodity Linked Redemption] [Instalment] [Partly Paid] [Other (specify)]

12	Change of Interest or Redemption/Payment Basis	<i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]</i>
13	Alternative Currency Equivalent	<p><i>[Not Applicable/Applicable]</i></p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph. Where Notes are denominated in Renminbi, it is expected that this paragraph will be marked “Applicable”. If so, the sub-paragraphs below should be completed)</i></p> <p>(i) Alternative Currency: [●]</p> <p>(ii) Alternative Currency Adjudication Agent: [●]</p> <p>(iii) Alternative Currency Calculation Agent: [●]</p> <p>(iv) Rate Calculation Jurisdiction: [●]</p> <p>(v) Rate Calculation Business Days: [●]</p> <p>(vi) Specified Time: [●]</p> <p>(vii) Scheduled Payment Currency Disruption Events: As specified in the Conditions [and] <i>[specify additional currency disruption events]</i></p> <p>(viii) Settlement Rate Option: [●]</p> <p>(ix) USD Settlement Rate Option: <i>[Only applicable where the Alternative Currency is a currency other than U.S. dollars]</i></p> <p>(x) Maximum Days of Postponement: [●]</p>
14	Put/Call Options	<p>[Put Option]</p> <p>[Call Option]</p> <p><i>[(further particulars specified below)]</i></p>
15	Status of the Notes	[Senior]
16	Method of distribution	[Syndicated/Non-syndicated]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
17	Fixed Rate Note Provisions	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>(i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/ quarterly/ monthly] in arrear]</p> <p>(ii) Interest Payment Date(s): [●] in each year</p> <p><i>[NB: Base General Condition 10 (Non-Business Days) will apply if an Interest Payment Date falls on a non-business day]</i></p>

(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount ⁸
(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(v) Day Count Fraction:	[●] (Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. dollars or Renminbi, unless otherwise agreed)
(vi) Determination Dates:	[●] in each year (<i>insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. NB: only relevant where Day Count Fraction is Actual/Actual-ICMA</i>)
(vii) [Business Day Convention:	[Applicable – Modified Following Business Day Convention/other (give details)/Not Applicable] <i>[Only applicable where Notes are denominated in Renminbi]</i>
(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/ <i>give details</i>]
18 Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate for notes denominated in Euro)</i>
(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 (<i>give details</i>)]
(iv) Business Centre(s):	[●] <i>(This term is specified in relation to rate determination and not for payment.)</i>
(v) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (<i>give details</i>)]
(vi) Party responsible for calculating the interest due (if not the Calculation Agent):	[●]
(vii) Screen Rate Determination:	[●]
– Reference Rate:	[●]
–Interest Determination Date(s):	[●] [TARGET/City] Business Days in [<i>specify City</i>] prior to [the first day] in each Interest Accrual

⁸ For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes, being rounded upwards”.

		Period/each Interest Payment Date
	– Relevant Screen Page:	[●]
	– Relevant Time:	[●]
	(viii) ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	(ix) Margin(s):	[+/-] [●] per cent. per annum
	(x) Minimum Rate of Interest:	[●] per cent. per annum
	(xi) Maximum Rate of Interest:	[●] per cent. per annum
	(xii) Day Count Fraction:	[●]
	(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 Base Note Conditions:	[●]
19	Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) Amortisation Yield compounding basis:	[Compounded/Non-compounded] [annually/semi-annually/other]
	(iii) Reference Price:	[●]
	(iv) Any other formula/basis of determining amount payable:	[●]
20	Index Linked Interest Note, Inflation Linked Interest Note and other variable-linked interest Note Provisions	[Applicable/Not Applicable] <i>(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, the identity of the relevant Index/Indices and details of the relevant index sponsors and whether such Index/Indices or Inflation Index/Inflation Indices are a Multi-Exchange Index:	[Basket of Indices/Single Index][Basket of Inflation Indices/Single Inflation Index] [[<i>Give or annex details</i>]] [Details of each Index Sponsor] Multi-Exchange Index [Yes/No] [The Threshold Percentage [applies/does not apply] in relation to such Index] <i>(NB: Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a Euro Stoxx index)</i>
	(i) Party responsible for calculating the interest due (if not the Calculation Agent):	[●]
	(ii) Provisions in Product	[●]

- Conditions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:
- (iii) [Calculation Amount]] [●] (*If Nominal Amount used, delete this paragraph*)
 - (iv) [Nominal Amount]] [●] (*If Calculation Amount used, delete this paragraph*)
 - (v) Exchange(s): [●]
 - (vi) Related Exchange(s): [[●]/All Exchanges]
 - (vii) [Valuation Date/Averaging Dates]] [●]
 - (viii) [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement] (*NB: only applicable where Averaging Dates are specified*)]
 - (ix) [Reference Price: [Product Condition 1.4 (*Definitions relevant to Index Linked Securities*)/other] (*NB: If fallback set out in the definition of "Valuation Date" in Product Condition 1.4 (Definitions relevant to Index Linked Securities) does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day*)]
 - (x) [Relevant Time/Valuation Time:] [Product Condition 1 (*Index Linked Securities*) applies/other]
 - (xi) Strike Price: [●]
 - (xii) Trade Date: [●]
 - (xiii) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction].
(*If Correction of Index Levels does not apply, delete the following sub-paragraph*)
 - (xiv) [Correction Cut-Off Date: [[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Interest Payment Date]]
 - (xv) Interest Period(s): [●]
 - (xvi) Specified Interest Payment Dates: [●][*NB: Care must be taken to ensure that if the Notes involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions or Base Note Conditions of such Notes, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the final*]

- Averaging Date, as the case may be]*
- (xvii) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xviii) [Reference Months:] [●]
- (xix) [Related Bond:] [●]
- (xx) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (xxi) Business Centre(s): [●]
(This term is specified in relation to rate determination and not for payment.)
- (xxii) Minimum Rate of Interest: [●] per cent. per annum
- (xxiii) Maximum Rate of Interest: [●] per cent. per annum
- (xxiv) Day Count Fraction: [●]
- (xxv) Payment Date Extension [Applicable/Not Applicable]
- (xxvi) [Extension Business Days: [●]
(NB: Only applicable where Payment Date Extension is specified)]
- (xxvii) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xxviii) Other terms or special conditions: [●]

21 Equity Linked Interest Provisions

[Applicable/Not Applicable]

(If not applicable, delete remaining sub-paragraphs of this paragraph)

- (i) Whether the Notes relate to a basket of equity securities or a single equity security and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity]
[Specify details of each Underlying Equity and each Equity Issuer]
- (ii) Party responsible for calculating the interest due (if not the Calculation Agent): [●]
- (iii) Provisions for determining Coupon where calculated by reference to Formula and/or other variable: [●]
- (iv) [Calculation Amount:] [●] *(If Nominal Amount used, delete this paragraph)*
- (v) [Nominal Amount:] [●] *(If Calculation Amount used, delete this*

		<i>paragraph)</i>
(vi)	Exchange:	[●]
(vii)	Related Exchange(s):	[[●]/All Exchanges]
(viii)	Potential Adjustment Events:	[Applicable/Not Applicable]
(ix)	De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
(x)	Tender Offer:	[Applicable/Not Applicable]
(xi)	Correction of Underlying Equity Prices:	Correction of Underlying Equity Prices [applies/does not apply and the Settlement Price shall be calculated without regard to any subsequently published correction] <i>(If Correction of Underlying Equity Prices does not apply, delete the following sub-paragraph)</i>
(xii)	[Correction Cut-Off Date:]	[[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Interest Payment Date]]
(xiii)	Valuation Dates/Averaging Dates:	
(xiv)	Common Scheduled Trading Days:	[Applicable/Not Applicable]
(xv)	Valuation Time:	Product Condition 3.4 (<i>Definitions relevant to Equity Linked Securities</i>)
(xvi)	Strike Price:	[●]
(xvii)	Exchange Rate:	[Applicable/Not Applicable] <i>[Insert details]</i>
(xviii)	Trade Date:	[●]
(xix)	Interest Commencement Date:	[●]
(xx)	Interest Period(s):	[●]
(xxi)	Specified Interest Payment Dates:	[●][NB: Care must be taken to ensure that if the Notes involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions of such Notes, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the final Averaging Date, as the case may be]
(xxii)	Interest Determination Dates:	[[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately

- preceding each Specified Interest Payment Date]
- (xxiii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (xxiv) Business Centre(s): [●]
(This term is specified in relation to rate determination and not for payment.)
- (xxv) Minimum Rate of Interest: [●] per cent. per annum
- (xxvi) Maximum Rate of Interest: [●] per cent. per annum
- (xxvii) Day Count Fraction: [●]
- (xxviii) Payment Date Extension: [Applicable/Not Applicable]
- (xxix) [Extension Business Days: [●]
(NB: Only applicable where Payment Date Extension is specified)]
- (xxx) Other terms or special conditions: [●]

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Currency Linked Interest Provisions

- [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Single FX Rate or Basket of FX Rates: [Single FX Rate/Basket of FX Rates]
- (ii) [Calculation Amount:] [●] (If Nominal Amount used, delete this paragraph)
(Specify, in the case of Currency Linked Securities represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)
- (iii) [Nominal Amount:] [●] (If Calculation Amount used, delete this paragraph)
- (iv) Interest Commencement Date: [●]
- (v) Reference Currency/Reference Currencies: [●]
- (vi) Base Currency: [●]
- (vii) FX Price Source: [●] (For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)
- (viii) FX Rate Sponsor: [Not Applicable/[●]]⁹ (For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)
- (ix) Provisions for determining the Interest Amount where calculated by reference to an

⁹ Usually applicable in respect of emerging market currencies.

- FX Rate and/or formula and/or other variable:
- (x) Number of FX Settlement Days: [Not Applicable/[●]]¹⁰
- (xi) Valuation Date(s)/Averaging Date(s): [Not Applicable/[●]]
- (xii) Valuation time: [●]
- (xiii) FX Disruption Events: [Benchmark Obligation Default]
[Price Materiality]
[Currency Replacement]
[Dual Exchange Rate]
[Governmental Authority Event]
[Illiquidity]
[Inconvertibility]
[Non-Transferability]
[Price Source Disruption]
[Unscheduled Holiday]
- (xiv) Benchmark Obligation: [●]
- Primary Rate: [●]
- Secondary Rate: [●]
- Price Materiality Percentage: [●]
- Any other FX Disruption Events: [None][Specify others]
- (xv) Disruption Fallbacks:
– Calculation Agent Determination: [Not Applicable/Applicable – to be applied [first/second/third]]
– Fallback Reference Price: [Not Applicable/Applicable – to be applied [first/second/ third]]
– Other: [Not Applicable/Applicable – to be applied [first/second/third]]
- (xvi) Successor Currency: [Not Applicable/Applicable]
- (xvii) Rebasing: [Not Applicable/Applicable]
- (xviii) Trade Date: [●]
- (xix) Specified Period(s): [●]
- (xx) Specified Interest Payment Dates: [●][NB: Care must be taken to ensure that if the Securities involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Conditions of such Securities, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the Final Averaging Date, as the case may be]

¹⁰ Usually applicable in respect of emerging market currencies.

- (xxi) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xxii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (xxiii) Business Centre(s): [●]
(This term is specified in relation to rate determination and not for payment.)
- (xxiv) Minimum Rate of Interest: [●] per cent. per annum
- (xxv) Maximum Rate of Interest: [●] per cent. per annum
- (xxvi) Day Count Fraction: [●]
- (xxvii) [Payment Date Extension:] [Applicable/Not Applicable]
- (xxviii) [Extension Business Days:] [●]
(NB: Only applicable where Payment Date Extension is specified)
- (xxix) Other terms or special conditions: [●]
- (xxx) Party responsible for calculating the interest due (if not the Calculation Agent): [●]

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Commodity Linked Interest Provisions: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Relevant Commodity/Commodity Index/Basket of Commodities or Commodity Indices (including weighting of commodities/commodity indices) [Relevant Commodity: [●]]
[Commodity Index: [●]]
[Basket of Commodities/Commodity Indices: [●]
(include weighting)]
[Commodity Index Sponsor: [●]]
- (ii) [Calculation Amount:] [●] *(If Nominal Amount used, delete this paragraph)*
- (iii) [Nominal Amount:] [●] *(If Calculation Amount used, delete this paragraph)*
- (iv) Commodity Reference Price: [●]
- (v) Interest Commencement Date: [Base Note Condition 4(b)(i) *(Interest Payment Dates)* applies/other *(specify)*]
- (vi) Valuation Time: [●]
- (vii) Provisions for determining the Interest Amount where calculated by reference to a Commodity or a Commodity Index and/or formula and/or

- other variable:
- (viii) Price Source(s): [●]
- (ix) Exchange(s): [●]
- (x) Specified Price: [●]
- (xi) Delivery Date: [●]
- (xii) Common Pricing: [Applicable] [Not applicable] *(include only if Basket of Commodities/Commodity Indices)*
- (xiii) Commodity Market Disruption Events: [
- (With respect to a Relevant Commodity:)*
- Price Source Disruption: [Applicable/Not Applicable]
- Trading Disruption: [Applicable/Not Applicable]
- Disappearance of Commodity Reference Price: [Applicable/Not Applicable]
- Material Change in Formula: [Applicable/Not Applicable]
- Material Change in Content: [Applicable/Not Applicable]
- Tax Disruption: [Applicable/Not Applicable]
- (With respect to a Commodity Index:)*
- Index Price Source Disruption: [Applicable/Not Applicable]
- Index Trading Disruption: [Applicable/Not Applicable]
- Closing Price Volatility: [Applicable/Not Applicable]
- [Other *(Specify)*]
- (xiv) Disruption Fallback(s): [As per Product Condition 5.3 *(Adjustments to a Commodity)*][Other *(specify any other applicable additional Disruption Fallback(s))*]
- (xv) Maximum Days of Disruption: [●]
- (xvi) Additional provisions for Trading Disruption: [If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies]
- (xvii) Adjustments to Commodity Index: [As per Product Condition 5.3 *(Adjustments to a Commodity)*]
[Other *(specify)*]
- (xviii) Correction of Commodity Prices: Correction of Commodity Prices [applies/does not apply and the Relevant Commodity Price shall be calculated without regard to any subsequently published correction].
(If Correction of Commodity Prices does not apply, delete the following sub-paragraph)
- (xix) [Correction Cut-Off Date: [[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●]

- Business Days prior to the Interest Payment Date]]
- (xx) [Commodity Index [Insert additional information on Commodity Index Disclaimer per Product Condition 5.3(f) (Commodity Index Disclaimer)] (NB: Only applicable where Securities are linked to one or more Commodity Indices)]
Disclaimer:]
- (xxi) Valuation Dates/Averaging Dates: [●]
- (xxii) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xxiii) Valuation Time: [●]
- (xxiv) Settlement Price: [Product Condition 5 (Commodity Linked Securities) applies/other]
(NB: If fallback set out in the definition of “Valuation Date” in Product Condition 5 (Commodity Linked Securities) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)
- (xxv) Specified Period(s): [●]
- (xxvi) Specified Interest Payment Dates: [●][NB: Care must be taken to ensure that if the Securities involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions of such Securities, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the Final Averaging Date, as the case may be]
- (xxvii) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xxviii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (xxix) Business Centre(s): [●]
(This term is specified in relation to rate determination and not for payment.)
- (xxx) Minimum Rate of Interest: [●] per cent. per annum
- (xxxi) Maximum Rate of Interest: [●] per cent. per annum
- (xxxii) Day Count Fraction: [●]
- (xxxiii) Payment Date Extension: [Applicable/Not Applicable]
- (xxxiv) [Extension Business Days: [●]

(NB: Only applicable where Payment Date Extension is specified)

- (xxxv) [Bullion Business Centre(s):] [●]
 (xxxvi) [Bullion Delivery Location(s):] [●]
 (xxxvii) Other terms or special conditions: [●]

PROVISIONS RELATING TO REDEMPTION

- 24 Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Calculation Amount
 (iii) If redeemable in part:
 – Minimum Redemption Amount: [●]
 – Maximum Redemption Amount: [●]
 (iv) Notice period: [●]
- 25 Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Calculation Amount
 (iii) Notice period: [●]
- 26 Final Redemption Amount** [[●] per Calculation Amount/other/see Appendix]
(Where Notes are Index Linked Redemption Notes, Inflation Linked Redemption Notes, Equity Linked Redemption Notes, Currency Linked Redemption Notes or Commodity Linked Redemption Notes specify “Not Applicable” and complete item 31, 32, 35 or 36 below as applicable)
- 27 Settlement** Settlement will be by way of [cash payment] [and/or] [physical delivery].
- 28 Expenses** [Applicable/Not Applicable]
- 29 Unwind Costs for Disruption Cash Settlement Price and Failure to Deliver Settlement Price** [Applicable/Not Applicable]

- 30 **Bank’s option to vary settlement** The Bank [has/does not have] the option to vary settlement in respect of the Notes pursuant to Base Note Condition 7(d)
- 31 **Index Linked, Inflation Linked and other variable-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 indices or a single index, the identity of the relevant Index/Indices or Inflation Index/Indices and details of the relevant index sponsors and whether such Index/Indices or Inflation Index/Indices are a Multi-Exchange Index: [Basket of Indices/Single Index][Basket of Inflation Indices/Single Inflation Index] [(Give or annex details)] [Details of each Index Sponsor] Multi-Exchange Index [Yes/No] [The Threshold Percentage [applies/does not apply] in relation to such Index]
- (NB: Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a Euro Stoxx index)*
- (ii) Party responsible for making calculations (if not the Calculation Agent): [●]
- (iii) Exchange(s): [●]
- (iv) Related Exchange(s): [[●]/All Exchanges]
- (v) [Reference Month:] [●]
- (vi) [Related Bond:] [●]
- (vii) [Valuation Date/Averaging Dates/Interest Determination Date]: [●]
- (viii) [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement] *(NB: Only applicable where Averaging Dates are specified)*]
- (ix) [Reference Price: [Product Condition 1.4 (*Definitions relevant to Index Linked Securities*) applies/other] *(NB: If fallback set out in the definition of “Valuation Date” in Product Condition 1.4 (*Definitions relevant to Index Linked Securities*) does not apply, set out method for determining the Reference Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)*]
- (x) [Relevant Time/Valuation Time:] [Product Condition 1 (*Index Linked Securities*) applies/other]
- (xi) Strike Price: [●]

- (xii) Trade Date: [●]
- (xiii) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Reference Price shall be calculated without regard to any subsequently published correction]
(If Correction of Index Levels does not apply, delete the following sub-paragraph)
- [Correction Cut-Off Date:] [[●] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date]]
- Maturity Date Extension: [Applicable/Not Applicable]
- [Extension Business Days: [●]
(NB: Only applicable where Maturity Date Extension is specified)]
- (xiv) Other terms or special conditions: [●]

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Equity Linked Redemption 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 and the identity of the relevant issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity
[Specify details of each Underlying Equity and each Equity Issuer]]
- (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 specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)*
- (iii) Party responsible for making calculations pursuant to Product Condition 3 (*Equity Linked Securities*) (if not the Calculation Agent): [●]
- (iv) Exchange: [●]
- (v) Related Exchange(s): [[●]/All Exchanges]
- (vi) Potential Adjustment Events: [Applicable/Not Applicable]
- (vii) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (viii) Tender Offer: [Applicable/Not Applicable]
- (ix) Correction of Underlying Correction of Underlying Equity Prices [applies/does

Equity Prices:	not apply and the Settlement Price shall be calculated without regard to any subsequently published correction] <i>(If Correction of Underlying Equity Prices does not apply, delete the following sub-paragraph)</i>
[Correction Cut-Off Date:]	[[●] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date]]
[Valuation Date/Averaging Dates:]	[●]
Common Scheduled Trading Days:	[Applicable/Not Applicable]
[Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement] <i>(NB: Only applicable where Averaging Dates are specified)</i>
Settlement Price:	[●][Product Condition 3.4 (<i>Definitions relevant to Equity Linked Securities</i>) applies [and the Settlement Price shall be determined by reference to the price of the relevant Underlying Equity at the Valuation Time on the Valuation Date]/other] <i>(NB: If fallback set out in the definition of “Valuation Date” in Product Condition 3.4 (Definitions relevant to Equity Linked Securities) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)</i>
(x) Valuation Time:	[Product Condition 3.4 (<i>Definitions relevant to Equity Linked Securities</i>) applies /other]
(xi) Strike Price:	[●]
(xii) Exchange Rate:	[Applicable/Not Applicable] <i>[Insert details]</i>
(xiii) Trade Date:	[●]
(xiv) Relevant Assets:	[●] (further particulars specified below) <i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]</i>
(xv) Asset Amount(s):	[●] <i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]</i>
(xvi) Cut-Off Date:	[●] <i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]</i>
(xvii) Final Date:	[●]
(xviii) Delivery provisions for Asset Amount(s) (including details of who is to make such	[●] <i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]</i>

	delivery) if different from the Base Note Conditions and/or the Product Conditions:	
	(xix) Maturity Date Extension:	[Applicable/Not Applicable]
	[Extension Business Days:	[•] <i>(NB: Only applicable where Maturity Date Extension is specified)</i>
	(xx) Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable] <i>(NB: Only applicable to certain types of Equity Linked Redemption Notes)</i>
	(xxi) Other terms or special conditions:	[•]
33	Relevant Assets	[Applicable/Not Applicable]
	(i) Type and class of Relevant Asset(s):	[•]
	(ii) Legislation under which the Relevant Asset(s) has/have been created:	[•]
	(iii) Form of the Relevant Asset(s):	[•]
	(iv) Currency of the Relevant Asset(s):	[•]
	(v) Rights attaching to the Relevant Asset(s):	[•] <i>(Need to include information relating to dividend rights (as per paragraph 1.5 of Annex 14 of Commission Regulation (EC) 809/2004), voting rights, pre-emption rights in offers for subscription of Relevant Asset(s) of the same class, rights to share in the issuer of the Relevant Asset's/Assets' profits, rights to share in any surplus in the event of liquidation, redemption provisions and conversion provisions, in each case to the extent applicable)</i>
	(vi) Listing of the Relevant Asset(s):	[[•] (specify)/None]
	(vii) Description of any restrictions on the free transferability of the Relevant Asset(s):	[•]
	(viii) Details of the existence of any mandatory takeover bids/or squeeze-out and sell-out rules in relation to the Relevant Asset(s):	[•]
	(ix) Details of any public takeover bids made by third parties in respect of the Relevant	[•]

	Asset(s), which have occurred during the last financial year and the current financial year, including the price or exchange terms attaching to such offers and the outcome thereof:	
	(x) Impact on the issuer of the Relevant Asset(s) of the exercise of the right and any potential dilution effect for the Relevant Asset holders:	[●]
34	Additional Disruption Events:	[Applicable/Not Applicable] <i>[Additional Disruption Events are only applicable to certain types of Index Linked Notes, Inflation Linked Notes, Equity Linked Notes, Currency Linked Notes and Commodity Linked Notes]</i> <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing] [Loss of Stock Borrow] <i>(NB: Only applicable in the case of Equity Linked Notes)</i>
35	Currency Linked Redemption Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Single FX Rate or Basket of FX Rates:	[Single FX Rate/Basket of FX Rates]
	(ii) Calculation Amount: <i>(Specify, in the case of Currency Notes represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[●] <i>(If Nominal Amount used, delete this paragraph)</i>
	(iii) Nominal Amount:	[●] <i>(If Calculation Amount used, delete this paragraph)</i>
	(iv) Reference Currency/Reference Currencies:	[●]
	(v) Base Currency:	[●]
	(vi) FX Price Source:	[●] <i>(For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)</i>

(vii)	FX Rate Sponsor:	[Not Applicable/[●]] ¹¹ <i>(For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)</i>
(viii)	Number of FX Settlement Days:	[Not Applicable/[●]] ¹²
(ix)	Valuation Date(s)/Averaging Date(s):	[Not Applicable/[●]]
(x)	Valuation time:	[●]
(xi)	FX Disruption Events:	[Benchmark Obligation Default] [Price Materiality] [Currency Replacement] [Dual Exchange Rate] [Governmental Authority Event] [Illiquidity] [Inconvertibility] [Non-Transferability] [Price Source Disruption] [Unscheduled Holiday]
	- Benchmark Obligation:	[●]
	- Primary Rate:	[●]
	- Secondary Rate:	[●]
	- Price Materiality Percentage:	[●]
	- Any other FX Disruption Events:	[None][Specify others]
(xii)	Disruption Fallbacks:	
	– Calculation Agent Determination:	[Not Applicable/Applicable – to be applied [first/second/third]]
	– Fallback Reference Price:	[Not Applicable/Applicable – to be applied [first/second/ third]]
	– Other:	[Not Applicable/Applicable – to be applied [first/second/third]]
(xiii)	Settlement Price:	[●]
(xiv)	Cash Settlement Amount:	[Express per Calculation Amount]
(xv)	Successor Currency:	[Not Applicable/Applicable]
(xvi)	Rebasing:	[Not Applicable/Applicable]
(xvii)	[Maturity Date Extension:]	[Applicable/Not Applicable]
(xviii)	[Extension Business Days:]	<i>(NB: Only applicable where Maturity Date Extension is specified)</i>
(xix)	Other terms or special conditions:	[●]
36	Commodity Linked Redemption Provisions:	[Applicable/Not Applicable]

¹¹ Usually applicable in respect of emerging market currencies.

¹² Usually applicable in respect of emerging market currencies.

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Relevant Commodity/Commodity Index/Basket of Commodities or Commodity Indices (including weighting of commodities/commodity indices) [Relevant Commodity: [●]]
[Commodity Index: [●]]
[Basket of Commodities/Commodity Indices: [●] (include weighting)]
[Commodity Index Sponsor: [●]]
- (ii) Calculation Amount: [●] *(If Nominal Amount used, delete this paragraph)*
(Specify, in the case of Commodity Notes represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)
- (iii) Nominal Amount: [●] *(If Calculation Amount used, delete this paragraph)*
- (iv) Commodity Reference Price: [●]
- (v) Price Source(s): [●]
- (vi) Exchange(s): [●]
- (vii) Specified Price: [●]
- (viii) Delivery Date: [●]
- (ix) Common Pricing: [Applicable] [Not applicable] *(Include only if Basket of Commodities/Commodity Indices)*
- (x) Cash Settlement Amount: *[Express per Calculation Amount]*
- (xi) Commodity Market Disruption Events:
(With respect to a Relevant Commodity:)
Price Source Disruption: [Applicable/Not Applicable]
Trading Disruption: [Applicable/Not Applicable]
Disappearance of Commodity Reference Price: [Applicable/Not Applicable]
Material Change in Formula: [Applicable/Not Applicable]
Material Change in Content: [Applicable/Not Applicable]
Tax Disruption: [Applicable/Not Applicable]
(With respect to a Commodity Index:)
Index Price Source Disruption: [Applicable/Not Applicable]
Index Trading Disruption: [Applicable/Not Applicable]
Closing Price Volatility: [Applicable/Not Applicable]
[Other (Specify)]
- (xii) Disruption Fallback(s): [As per Product Condition 5.3 *(Adjustments to a*

- Commodity)] [Specify order in which Disruption Fallbacks apply, if any]*
[Other (Specify any other applicable additional Disruption Fallback(s))]
- (xiii) Maximum Days of Disruption: [●]
- (xiv) Fallback Reference Price: [Applicable]/[Not Applicable]
- (xv) Alternate Commodity Reference Price: [Applicable]/[Not Applicable] [To be applied first/second/third]
- (xvi) Delayed Publication or Announcement and Postponement: [Applicable]/[Not Applicable] [To be applied first/second/third]
- (xvii) Calculation Agent Determination: [Applicable]/[Not Applicable] [To be applied first/second/third]
- (xviii) Additional provisions for Trading Disruption: [If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies]
- (xix) Settlement Price: [Product Condition 5 (*Commodity Linked Securities*) applies/other]
- (xx) Adjustments to Commodity Index: [As per Product Condition 5.3 (*Adjustments to a Commodity*)]
 [Other (*specify*)]
- (xxi) Correction of Commodity Prices: Correction of Commodity Prices [applies/does not apply and the Relevant Commodity Price shall be calculated without regard to any subsequently published correction].
(If Correction of Commodity Prices does not apply, delete the following sub-paragraph)
- (xxii) [Correction Cut-Off Date: [[●] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date]]
- (xxiii) [Commodity Index Disclaimer:] [Insert additional information on Commodity Index Disclaimer per Product Condition 5.3(f) (*Commodity Index Disclaimer*)] (NB: Only applicable where Securities are linked to one or more Commodity Indices)
- (xxiv) Valuation Dates/Averaging Dates: [●]
- (xxv) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xxvi) Valuation Time: [●]

- (xxvii) Relevant Assets: [●] (further particulars specified below) [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxviii) Asset Amount(s): [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxix) Cut-Off Date: [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxx) Final Date: [●]
- (xxxi) Delivery provisions for Asset Amount(s) (including details of who is to make such delivery) if different from Base Note Conditions/Product Conditions: [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxxii) Maturity Date Extension: [Applicable/Not Applicable]
- (xxxiii) [Extension Business Days: [●] (*NB: Only applicable where Maturity Date Extension is specified*)]
- (xxxiv) Other terms or special conditions: [●]

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Early Redemption Amount

Early Redemption Amount(s) payable on redemption for (a) an illegality or change in law; (b) taxation reasons or on event of default or other early redemption; (c) in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Product Condition 1.3(ii)(4); (d) in the case of Inflation Linked Notes, following the cessation of publication of the Index in accordance with Product Condition 2.3(b)(v) (*Cessation of Publication*); (e) in the case of Equity Linked Notes, following certain corporate events in accordance with Product Condition 3.3 (*Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Securities in respect of Underlying Equities and Correction of Underlying Equity Prices*); (f) in the case of Currency Linked Securities, following a Rebasing (if applicable) in accordance with Product Condition 4.5(d) (*Rebasing of Securities*); (g) in the case of Commodity Linked Securities, following an

[As specified in the Conditions][Other]

adjustment event in accordance with Product Condition 5.3(e) (*Adjustment to Commodity Index*) and/or the method of calculating the same (if required or if different from that set out in the Product Conditions); (h) if so specified herein, following an Additional Disruption Event (if applicable) in accordance with Product Condition 6.2(iv) (*Occurrence of Additional Disruption Events*); or (i) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Product Condition 7.1 (*Payment of Alternative Currency Equivalent*) and/or the method of calculating the same (if required or if different from that set out in the Product Conditions):

38	Unwind Costs:	[Applicable/Not Applicable]
39	Disruption Cash Settlement Price Unwind Costs:	[Applicable/Not Applicable]
40	Failure to Deliver Settlement Price Unwind Costs:	[Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

41	Form of Notes	<p>Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]</p> <p>[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]</p> <p><i>(In relation to any issue of Notes which are expressed to be exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than EUR 100,000 (or equivalent) and integral multiples thereof)</i></p> <p>[Registered Notes — Global Note Certificate[s]] — [Euroclear/Clearstream Luxembourg]/[CMU Service]</p> <p>[CREST Depository Interests (“CDIs”) representing the Notes may also be issued in accordance with the usual procedures of Euroclear UK & Ireland Limited]</p>
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		(“CREST”).]
42	New Global Note	[Yes] [No]
43	Additional Financial Centre(s) or other special provisions relating to payment dates	[Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates]
44	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]
45	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 Bank to forfeit the Notes and interest due on late payment]	[Not Applicable/give details]
46	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made	[Not Applicable/give details]
47	Redenomination, renominatisation and reconventioning provisions	[Not Applicable/The provisions annexed to these Final Terms apply]
48	Consolidation provisions:	[Not Applicable/The provisions in [Base General Condition 2 (<i>Further Issues</i>)] [annexed to these Final Terms] apply]
49	Name and address of Calculation Agent	The Calculation Agent is [●] (NB: Only applicable if Lloyds TSB Bank plc is not the Calculation Agent)
50	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)

DISTRIBUTION

51	If syndicated, names of Managers	[Not Applicable/give names]
52	Stabilising Manager(s) (if any)	[Not Applicable/give names]
53	If non-syndicated, name of Dealer	[Not Applicable/give names]
54	U.S. Selling Restrictions	[Reg S Category 2; TEFRA C/TEFRA D/TEFRA not applicable]
55	Additional selling restrictions	[Not Applicable/give names]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue and admission to trading of the Notes described herein pursuant to the Note, Certificate and Warrant Programme of Lloyds TSB Bank plc.]

RESPONSIBILITY

The Bank accepts responsibility for the information contained in these Final Terms.

[Information on underlying assets] has been extracted from [Source]. The Bank 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Bank:

By:

.....

Duly authorised

PART B — OTHER INFORMATION

1 Listing

- (i) Listing: [London/Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●]] [Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: [●]

2 Ratings

- Ratings: [The Notes to be issued have not been rated]
 [The Notes to be issued have been rated:
 [S & P: [●]]
 [Moody's: [●]]
 [[Other]: [●]]
 [and endorsed by [●]] (*Insert this wording where one or more ratings included in the Final Terms has been endorsed by an EU registered credit rating agency for the purposes of Article 4(3) of the CRA Regulation*)
 (*The above disclosure should only normally be included where the issue has been specifically rated.*)
 Insert one (or more) of the following options, as applicable:
- Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:**
[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).
- Option 2: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulations:**
[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).
- Option 3: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:**
[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the

“*CRA Regulation*”).

Option 4: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:

[Insert legal name of particular credit rating agency providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

3 Notification

The *[include name of competent authority in EEA home Member State]* *[has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues]* the *[include names of competent authorities of host Member States]* with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

4 [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 [*Offering and Sale*], so far as the Bank is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

5 [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 making profit and/or hedging certain risks 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:

[●]

[Include breakdown of expenses]

(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above)]

6 [Fixed Rate Notes only — YIELD

Indication of yield:

[●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7 [Floating Rate Notes only — HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

8 [Index Linked, Inflation Linked, Equity Linked, Currency Linked or Commodity Linked or other variable-linked Notes only — PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/Underlying Equities/currencies/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Bank and if the index is not composed by the Bank need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

9 [Currency Linked Notes only — PERFORMANCE OF RATE[S] OF EXCHANGE

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]

[Where third-party information is incorporated under items (8) - (9) above, include the following statement:]

[The information set out above constitutes third-party information and were obtained in the [English] language from [_____] published by [_____]. [The information found at [specify source] referred to in the previous sentence does not form part of and is not incorporated by reference into these Final Terms.] The information set out above have been accurately reproduced from the sources identified above and, so far as the Bank is aware and is able to ascertain from information published by the third parties referred to above, no facts have been omitted which would render the information set out above inaccurate or misleading.]

10 OPERATIONAL INFORMATION

ISIN Code: [●]/[Not Applicable]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]].

[The Notes will also be made eligible for CREST via the issue of CDIs representing the Notes.]

[The Notes will be cleared through the CMU Service. CMU Instrument Number: [●].

Persons holding a beneficial interest in the Notes through Euroclear or Clearstream, Luxembourg will hold their interests through an account opened and held by Euroclear or Clearstream, Luxembourg (as applicable) with the CMU Operator.][include this text for CMU Notes only]

[The Notes will be cleared through Euroclear Sweden.]

Delivery: Delivery [against/free of] payment

[Swedish Issue Agent] [●]

Names and addresses of additional Paying Agent(s) (if any): [●]/[Not Applicable]

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No].

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee for the common

safekeeper,][*include this text for Registered Notes*]] 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” selected in which case bearer Notes must be issued in NGN form*]

FORM OF FINAL TERMS OF THE C&W SECURITIES

**RELEVANT FINAL TERMS FOR ISSUES BY THE BANK
OF CERTIFICATES AND WARRANTS
TO BE ADMITTED TO TRADING ON AN EEA REGULATED MARKET AND/OR
OFFERED TO THE PUBLIC ON AN EXEMPT OR A NON-EXEMPT BASIS IN THE EUROPEAN
ECONOMIC AREA**

Final Terms dated [●]

Lloyds TSB Bank plc

Issue of [Aggregate Number of Securities] [Title of Securities]

under the Note, Certificate and Warrant Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base C&W Conditions and the Base General Conditions set forth in the Prospectus dated 20 April 2012 [and the supplemental Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Securities 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 Bank and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing [on the website of the Regulatory News Service operated by the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> and copies may be obtained from Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN.

[The Prospectus referred to above (as completed by these Final Terms) has been prepared on the basis that, except as provided in paragraph (ii) below, any offer of Securities 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 Securities. Accordingly, any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to 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 56 below[, provided such person is one of the persons mentioned in Paragraph 56 below and that such offer is made during the Offer Period specified for such purpose therein].

Neither the Bank nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.]¹³

[The Prospectus referred to above (as completed by these Final Terms) has been prepared on the basis that any offer of Securities 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

¹³ Consider including this legend where a non-exempt offer of Securities is anticipated.

offers of the Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Bank nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.]¹⁴

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. [NON-LONDON LISTED]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Securities set forth in the Prospectus dated [**original date**] [and the supplemental Prospectus dated [**date**]]. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Prospectus dated [**current date**] [and the supplemental Prospectus dated [**date**]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Base C&W Conditions and the Base General Conditions which are replaced by the Conditions of the Securities extracted from the Prospectus dated [**original date**] [and the supplemental Prospectus dated [**date**]] and are attached hereto. Full information on the Bank and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Prospectuses dated [**original date**] and [**current date**] [and the supplemental Prospectuses dated [**date**] and [**date**]]. The Prospectuses [and the supplemental Prospectuses] are available for viewing at [**address**] [and] [**website**] and copies may be obtained from Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN.

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. [LONDON LISTED]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Securities contained in the Agency Agreement dated 14 June 2011 and amended and restated on 20 April 2012 and set forth in the Prospectus dated [**original date**] [and the supplemental Prospectus dated [**date**]] and incorporated by reference into the Prospectus dated [**current date**] and which are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Prospectus dated [**current date**] [and the supplemental Prospectus dated [**date**]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. The Prospectuses [and the supplemental Prospectus] are available for viewing [**address**] [and] [**website**] and copies may be obtained from Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN.

[Include whichever of the following apply or specify as Not Applicable (N/A). Security that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

References herein to numbered Base C&W Conditions are to the terms and conditions of the Securities and words and expressions defined in such terms and conditions shall bear the same meanings in these Final Terms, save where otherwise expressly provided.

- | | | | |
|---|-------|-----------------|-----|
| 1 | [(a)] | Series Number: | [●] |
| | [(b)] | Tranche Number: | [●] |

[The Securities are to be consolidated and form a single Series with the [insert title of relevant Series of Securities] issued on

14 Consider including this legend where only an exempt offer of C&W Securities is anticipated.

- [insert issue date]]
 (NB: Only applicable for fungible issues of Securities)
- 2** Type of C&W Security: (a) [Redeemable Certificate/Exercisable Certificate/Warrant] (Exercisable Certificates are referred to herein and in the Base C&W Conditions as Warrants)
 (b) The Securities are [General C&W Securities/Index Linked C&W Securities/Inflation Linked C&W Securities/Equity Linked C&W Securities/Currency Linked C&W Securities/Commodity Linked C&W Securities/(specify other type of Security)¹⁵].
 (c) [Give details of Units if applicable]
- 3** [(a)] Number of C&W Securities being issued: The number of C&W Securities being issued is [●].
 [(b)] Total number of C&W Securities in issue: The total number of C&W Securities in issue is [●]
 (NB: Only applicable for fungible issues of Securities)
- 4** Issue Price: The issue price per [C&W Security/Unit] is [●]
- 5** (a) Issue Date: The issue date of the C&W Securities is [●]
 (b) Trade Date: [The Trade Date for the purposes of Product Condition 6 (Additional Disruption Events) is [●]/[Not Applicable]]
- 6** **Product Conditions**
- (i) Index Linked Product Provisions [Not Applicable/Applicable]
 (ii) Inflation Linked Product Provisions [Not Applicable/Applicable]
 (iii) Equity Linked Product Provisions [Not Applicable/Applicable]
 (iv) Currency Linked Product Provisions [Not Applicable/Applicable]
 (v) Commodity Linked Product Provisions [Not Applicable/Applicable]
- 7** Specified Currency: [●]
- 8** Expenses: [Applicable/Not Applicable]
- 9** Unwind Costs for Disruption Cash Settlement Price and Failure to Deliver Settlement Price: [Applicable/Not Applicable]
- 10** Alternative Currency Equivalent: [Not Applicable/Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph. Where C&W Securities are denominated in Renminbi, it is expected that this paragraph will be marked "Applicable". If so, the sub-paragraphs below should be completed.)
- (i) Alternative Currency: [●]
 (ii) Alternative Currency [●]

¹⁵ Please note that the Programme only contemplates Index Linked C&W Securities, Inflation Linked C&W Securities, Equity Linked C&W Securities, Currency Linked C&W Securities and Commodity Linked C&W Securities. If other types of Securities are to be issued, consider whether a Series Prospectus is required.

- Adjudication Agent:
- (iii) Alternative Currency Calculation Agent: [●]
- (iv) Rate Calculation Jurisdiction: [●]
- (v) Rate Calculation Business Days: [●]
- (vi) Specified Time: [●]
- (vii) Scheduled Payment Currency Disruption Events: As specified in the Conditions [and] [*specify additional currency disruption events*]
- (viii) Settlement Rate Option: [●]
- (ix) USD Settlement Rate Option: [*Only applicable where the Alternative Currency is a currency other than U.S. dollars*]
- (x) Maximum Days of Postponement: [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 11 Interest Basis** [●] per cent. Fixed Rate
 [*specify reference rate*] +/- [●] per cent. Floating Rate
 [Zero Coupon]
 [Index Linked Interest]
 [Inflation Linked Interest]
 [Equity Linked Interest]
 [Currency Linked Interest]
 [Commodity Linked Interest]
 [Other (*specify*)]
- 12 Fixed Rate C&W Security Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) [Calculation Amount:] [●] (*If Nominal Amount used, delete this sub-paragraph*)
(Specify if Nominal Amount is not specified.)
- (ii) [Nominal Amount:] [●] (*If Calculation Amount used, delete this sub-paragraph*)
- (iii) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ (*specify*)] in arrear]
- (iv) Interest Commencement Date: [●]
- (v) Specified Interest Payment Date(s): [●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]/not adjusted]
- (vi) Business Day 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]
 [specify *other*]
- (viii) Determination Date(s): [●] in each year [*Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates*] (NB: Only relevant where Day Count Fraction is Actual/Actual ICMA)
- (ix) Other terms relating to the method of calculating interest for Fixed Rate C&W Securities: [Not Applicable/give details]
- 13 Floating Rate C&W Security Provisions** [Applicable/Not Applicable]
 (*If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURIBOR is the appropriate reference rate*)
- (i) [Calculation Amount:] [●] (*If Nominal Amount used, delete this sub-paragraph*)
 (*Specify, in the case of Floating Rate C&W Securities represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances*)
- (ii) [Nominal Amount:] [●] (*If Calculation Amount used, delete this sub-paragraph*)
- (iii) Interest Commencement Date: [●]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [●]
- (v) First Interest Payment Date: [●]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (vii) Business Day Centre(s): [●]
- (viii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (ix) Party responsible for calculating the Interest Amount(s) (if not the [Calculation Agent]): [●]
- (x) Screen Rate Determination: [Applicable/Not Applicable]
 (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Reference Rate: [●]
 (*Either LIBOR, EURIBOR or other, although additional information is required if other*)
- Interest Determination Date(s): [●]
 (*Second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency*)

deposits) in London prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the 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 a page which shows a composite rate or amend the fallback provisions appropriately)
- Specified Currency: [●]
- (xi) ISDA Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- (xii) Margin(s): [+/-][●] per cent. per annum
- (xiii) Minimum Rate of Interest: [●] per cent. per annum
- (xiv) Maximum Rate of Interest: [●] per cent. per annum
- (xv) 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
[specify other]
(See definition of “Day Count Fraction” in Base C&W Condition 4(i)(Definitions) for alternatives)
- (xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate C&W Securities, if different from those set out in the Base C&W Conditions: [●]

14 Index Linked Interest C&W Security, Inflation Linked Interest C&W Security and other variable-linked interest C&W Security Provisions

- [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Whether the C&W Securities relate to a basket of indices or a single index, the identity of the relevant Index/Indices or Inflation Index/Inflation Indices and details of the relevant index sponsors and whether such Index/Indices or Inflation [Basket of Indices/Single Index][Basket of Inflation Indices/Single Inflation Index][Give or annex details]
[Details of each Index Sponsor]
Multi-Exchange Index [Yes/No]
[The Threshold Percentage [applies/does not apply] in relation to such Index]

Index/Inflation Indices are a Multi-Exchange Index:

(NB: Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a Euro Stoxx index)

- (ii) [Calculation Amount:] [●] *(If Nominal Amount used, delete this sub-paragraph)*
(Specify, in the case of Index Linked Interest C&W Securities represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)
- (iii) [Nominal Amount:] [●] *(If Calculation Amount used, delete this sub-paragraph)*
- (iv) Interest Commencement Date: [●]
- (v) Party responsible for making calculations pursuant to [Product Condition 1 (*Index Linked C&W Securities*)]/[Product Condition 2 (*Inflation Linked C&W Securities*)] (if not the Calculation Agent): [●]
- (vi) Provisions in Product Conditions for determining the Interest Amount where calculated by reference to Index and/or formula and/or other variable: [●]
- (vii) Exchange(s): [●]
- (viii) Related Exchange(s): [[●]/All Exchanges]
- (ix) [Reference Month:] [●]
- (x) [Related Bond:] [●]
- (xi) [Valuation Date/Averaging Dates/Interest Determination Date:] [●]
- (xii) [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement] *(NB: only applicable where Averaging Dates are specified)*
- (xiii) [Reference Price/Settlement Price:] [Product Condition 1.4 (*Definitions relevant to Index Linked Securities*) applies/other]
*(NB: if fallback set out in the definition of "Valuation Date" in Product Condition 1.4 (*Definitions relevant to Index Linked Securities*) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)*
- (xiv) [Relevant Time/Valuation Time:] [Product Condition 1 (*Index Linked Securities*) applies/other]

- (xv) Strike Price: [●]
- (xvi) Trade Date: [●]
- (xvii) Correction of Index Levels: Correction of Index Levels [applies/does not apply and the Settlement Price shall be calculated without regard to any subsequently published correction]
(If Correction of Index Levels does not apply, delete the following sub-paragraph)
- (xviii) [Correction Cut-Off Date: [[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Interest Payment Date]]
- (xix) Specified Period(s): [●]
- (xx) Specified Interest Payment Dates: [●][*NB: Care must be taken to ensure that if the C&W Securities involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions of such C&W Securities, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the final Averaging Date, as the case may be*]
- (xxi) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xxii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (xxiii) Business Centre(s): [●]
(This term is specified in relation to rate determination and not for payment.)
- (xxiv) Minimum Rate of Interest: [●] per cent. per annum
- (xxv) Maximum Rate of Interest: [●] per cent. per annum
- (xxvi) Day Count Fraction: [●]
- (xxvii) Payment Date Extension: [Applicable/Not Applicable]
- (xxviii) [Extension Business Days: [●]
(NB: only applicable where Payment Date Extension is specified)]
- (xxix) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xxx) Other terms or special conditions: [●]
- 15 **Equity Linked Interest C&W Security** [Applicable/Not Applicable]

Provisions

(If not applicable, delete remaining sub-paragraphs of this paragraph)

- (i) Whether the C&W Securities relate to a basket of equity securities or a single equity security and the identity of the relevant Equity Issuer(s) of the Underlying Equity/Equities: [Basket of Underlying Equities/Single Underlying Equity] [Specify details of each Underlying Equity and each Equity Issuer]
- (ii) [Equity Issuer(s):] [●]
- (iii) [Calculation Amount:] [●] *(If Nominal Amount used, delete this sub-paragraph)*
(Specify, in the case of Equity Linked Interest C&W Securities represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)
- (iv) [Nominal Amount:] [●] *(If Calculation Amount used, delete this sub-paragraph)*
- (v) Interest Commencement Date: [●]
- (vi) Party responsible for making calculations pursuant to Product Condition 3 (*Equity Linked Securities*) (if not the Calculation Agent): [●]
- (vii) Provisions for determining the Interest Amount where calculated by reference to an Underlying Equity and/or formula and/or other variable: [●]
- (viii) Exchange: [●]
- (ix) Related Exchange(s): [[●]/All Exchanges]
- (x) Potential Adjustment Events: [Applicable/Not Applicable]
- (xi) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (xii) Tender Offer: [Applicable/Not Applicable]
- (xiii) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Settlement Price shall be calculated without regard to any subsequently published correction].
(If Correction of Underlying Equity Prices does not apply, delete the following sub-paragraph)
- (xiv) [Correction Cut-Off Date: [[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and, in relation to the final Averaging Date, [●] Business Days prior to

- the Interest Payment Date]]
- (xv) [Valuation Date/Averaging Dates:] [●]
- (xvi) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xvii) [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement] (NB: only applicable where Averaging Dates are specified)]
- (xviii) [Strike Price:] [●]
- (xix) [Settlement Price: [Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) applies/other] (NB: if fallback set out in the definition of “Valuation Date” in Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)
- (xx) Valuation Time: [Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) applies/other]
- (xxi) Exchange Rate: [Applicable/Not Applicable] [Insert details]
- (xxii) Trade Date: [●]
- (xxiii) Specified Period(s): [●]
- (xxiv) Specified Interest Payment Dates: [●][NB: Care must be taken to ensure that if the C&W Securities involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions of such C&W Securities, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the final Averaging Date, as the case may be]
- (xxv) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xxvi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (xxvii) Business Centre(s): [●] (This term is specified in relation to rate determination and not for payment.)
- (xxviii) Minimum Rate of Interest: [●] per cent. per annum
- (xxix) Maximum Rate of Interest: [●] per cent. per annum
- (xxx) Day Count Fraction: [●]

- (xxxii) Payment Date Extension: [Applicable/Not Applicable]
- (xxxiii) [Extension Business Days: [●]
(NB: only applicable where Payment Date Extension is specified)]
- (xxxiiii) Other terms or special conditions: [●]
- 16 Currency Linked Interest Provisions** [Applicable/Not Applicable]
(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Whether the C&W Securities relate to a Single FX Rate or Basket of FX Rates: [Single FX Rate/Basket of FX Rates]
- (ii) [Calculation Amount:] [●] (If Nominal Amount used, delete this sub-paragraph)
(Specify, in the case of Currency Linked Interest C&W Securities represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)
- (iii) [Nominal Amount:] [●] (If Calculation Amount used, delete this sub-paragraph)
- (iv) Interest Commencement Date: [●]
- (v) Reference Currency/Reference Currencies: [●]
- (vi) Base Currency: [●]
- (vii) FX Price Source: [●] (For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)
- (viii) FX Rate Sponsor: [Not Applicable/[●]]¹⁶ (For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency)
- (ix) Provisions for determining the Interest Amount where calculated by reference to an FX Rate and/or formula and/or other variable: [●]
- (x) Number of FX Settlement Days: [Not Applicable/[●]]¹⁷
- (xi) Valuation Date(s)/Averaging Date(s): [Not Applicable/[●]]
- (xii) Valuation Time: [●]

¹⁶ Usually applicable in respect of emerging market currencies.

¹⁷ Usually applicable in respect of emerging market currencies.

- (xiii) FX Disruption Events: [Benchmark Obligation Default]
 [Price Materiality]
 [Currency Replacement]
 [Dual Exchange Rate]
 [Governmental Authority Event]
 [Illiquidity]
 [Inconvertibility]
 [Non-Transferability]
 [Price Source Disruption]
 [Unscheduled Holiday]
- (xiv) Benchmark Obligation: [●]
 - Primary Rate: [●]
 - Secondary Rate: [●]
 - Price Materiality Percentage: [●]
 - Any other FX Disruption Events: [None][Specify others]
- (xv) Disruption Fallbacks:
 (a) Calculation Agent Determination: [Not Applicable/Applicable – to be applied [first /second/third]
 (b) Fallback Reference Price: [Not Applicable/Applicable – to be applied [first/second/ third]
 (c) Other: [Not Applicable/Applicable – to be applied [first/second/third]
- (xvi) Successor Currency: [Not Applicable/Applicable]
- (xvii) Rebasing: [Not Applicable/Applicable]
- (xviii) Trade Date: [●]
- (xix) Specified Period(s): [●]
- (xx) Specified Interest Payment Dates: [●][NB: Care must be taken to ensure that, if the C&W Securities involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions of such C&W Securities, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the Final Averaging Date, as the case may be]
- (xxi) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xxii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (xxiii) Business Centre(s): [●]
 (This term is specified in relation to rate determination and not for payment.)

- (xxiv) Minimum Rate of Interest: [●] per cent. per annum
 (xxv) Maximum Rate of Interest: [●] per cent. per annum
 (xxvi) Day Count Fraction: [●]
 (xxvii) [Payment Date Extension:] [Applicable/Not Applicable]
 (xxviii) [Extension Business Days:] [●]
 (NB: only applicable where Payment Date Extension is specified)

- (xxix) Other terms or special conditions: [●]

17 Commodity Linked Interest Provisions [Applicable/Not Applicable]

(if not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Relevant Commodity/Commodity Index/Basket of Commodities or Commodity Indices (including weighting of commodities/commodity indices): [Relevant Commodity: [●]]
 [Commodity Index: [●]]
 [Basket of Commodities/Commodity Indices: [●] (*include weighting*)]
 [Commodity Index Sponsor: [●]]
- (ii) [Calculation Amount:] [●] (*If Nominal Amount used, delete this paragraph*)
- (iii) [Nominal Amount:] [●] (*If Calculation Amount used, delete this paragraph*)
- (iv) Commodity Reference Price: [●]
- (v) Interest Commencement Date: [●]
- (vi) Valuation Time: [Product Condition 5 (*Commodity Linked Securities*) applies/other (*specify*)]
- (vii) Provisions for determining the Interest Amount where calculated by reference to a Commodity or a Commodity Index and/or formula and/or other variable: [●]
- (viii) Price Source(s): [●]/[Not Applicable]
- (ix) Exchange(s): [●]
- (x) Specified Price: [●]
- (xi) Delivery Date: [●]
- (xii) Common Pricing: [Applicable]/[Not Applicable] (*include only if Basket of Commodities/Commodity Indices*)
- (xiii) Commodity Market Disruption Events: []
 (*With respect to a Relevant Commodity:*)
 Price Source Disruption: [Applicable/Not Applicable]
 Trading Disruption: [Applicable/Not Applicable]

	Disappearance of Commodity Reference Price:	[Applicable/Not Applicable]
	Material Change in Formula:	[Applicable/Not Applicable]
	Material Change in Content:	[Applicable/Not Applicable]
	Tax Disruption:	[Applicable/Not Applicable]
	<i>(With respect to a Commodity Index:)</i>	
	Index Price Source Disruption:	[Applicable/Not Applicable]
	Index Trading Disruption:	[Applicable/Not Applicable]
	Closing Price Volatility:	[Applicable/Not Applicable]
		Other (<i>Specify</i>)
(xiv)	Disruption Fallback(s):	[As per Product Condition 5.3 (<i>Adjustments to a Commodity</i>)] [[Other (<i>specify any other applicable additional Disruption Fallback(s)</i>)]]
(xv)	Maximum Days of Disruption:	[●]
(xvi)	Additional provisions for Trading Disruption:	[<i>If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies</i>]
(xvii)	Adjustments to Commodity Index:	[As per Product Condition 5.3 (<i>Adjustments to a Commodity</i>)] [Other (<i>specify</i>)]
(xviii)	Correction of Commodity Prices:	Correction of Commodity Prices [applies/does not apply and the Relevant Commodity Price shall be calculated without regard to any subsequently published correction]. <i>(If Correction of Commodity Prices does not apply, delete the following sub-paragraph)</i>
(xix)	[Correction Cut-Off Date:	[[●] Business Days prior to the Interest Payment Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Interest Payment Date]]
(xx)	[Commodity Index Disclaimer:]	[<i>Insert additional information on Commodity Index Disclaimer per Product Condition 5.3(f) (Commodity Index Disclaimer)</i>] <i>(NB: only applicable where C&W Securities are linked to one or more Commodity Indices)</i>
(xxi)	Valuation Date(s)/Averaging Date(s):	[●]
(xxii)	Common Scheduled Trading Days:	[Applicable/Not Applicable]
(xxiii)	Valuation Time:	[●]
(xxiv)	[Settlement Price:	[Product Condition 5 (<i>Commodity Linked Securities</i>)/other (<i>specify</i>)]]

(NB: if fallback set out in the definition of "Valuation Date" in Product Condition 5 (Commodity Linked Security) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)

- (xxv) Specified Period(s): [●]
- (xxvi) Specified Interest Payment Dates: [●][*NB: Care must be taken to ensure that, if the C&W Securities involve a computation, in any case by reference to one or more Valuation Dates or Averaging Dates, as the case may be, which may be postponed pursuant to the Product Conditions of such C&W Securities, the Interest Payment Date is likewise postponed and cannot occur prior to an acceptable period before the last occurring Valuation Date or the Final Averaging Date, as the case may be*]
- (xxvii) Interest Determination Dates: [[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
- (xxviii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (xxix) Business Centre(s): [●]
(This term is specified in relation to rate determination and not for payment.)
- (xxx) Minimum Rate of Interest: [●] per cent. per annum
- (xxxi) Maximum Rate of Interest: [●] per cent. per annum
- (xxxii) Day Count Fraction: [●]
- (xxxiii) Payment Date Extension: [Applicable/Not Applicable]
- (xxxiv) [Extension Business Days: [●]
(NB: only applicable where Payment Date Extension is specified)]
- (xxxv) [Bullion Business Centre(s):] [●]
- (xxxvi) [Bullion Delivery Location(s):] [●]
- (xxxvii) Other terms or special conditions: [●]

PARAGRAPHS 18 TO 27 (INCLUSIVE) APPLY TO WARRANTS (INCLUDING EXERCISABLE CERTIFICATES) ONLY

- 18** Exercise Style: The Warrants are [European/American/(*specify other*)] Style C&W Securities

- 19 Call/Put Warrants: The Warrants are [Call Warrants/Put Warrants]
- 20 Units: Warrants must be exercised in Units. Each Unit consists of [●] Warrants
(NB: This is in addition to any requirements relating to “Minimum Exercise Number” or “Maximum Exercise Number” set out below)
- 21 Exercise Price: The exercise price per [Warrant/Unit] (which may be subject to adjustment in accordance with Product Condition 3 (*Equity Linked C&W Securities*)) in the case of Equity Linked C&W Securities) is [●]
- 22 Exercise Date: The exercise date of the Warrants is [●], provided that, if such date is not a Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Business Day
(NB: Only applicable in relation to European Style Warrants)
- 23 Exercise Period: The exercise period in respect of the Warrants is from and including [●] to and including [●], or, if [●] is not a Business Day, the immediately succeeding Business Day
(NB: Only applicable in relation to American Style Warrants)
- 24 Automatic Exercise: Automatic Exercise [applies/does not apply]
 [If Automatic Exercise does apply: Automatic Exercise: C&W Exercise Notice by Cut-off Date [applies/does not apply]
 Automatic Exercise: No delivery of C&W Exercise Notice [applies/does not apply]]
- 25 Settlement Date: [(i) The settlement date for the Warrants is [●]
 [(ii) Settlement Business Day for the purposes of Base C&W Condition 5(c)(ii) (*Settlement Disruption*) and Base C&W Condition 6(f) (*Automatic Exercise*) means [●]
(NB: Only applicable in the case of Physical Delivery Securities)]
- 26 Minimum Exercise Number: The minimum number of Warrants that may be exercised (including Automatic Exercise) on any day by any Warrantholder is [●] [and Warrants may only be exercised (including Automatic Exercise) in integral multiples of [●] Warrants in excess thereof]
- 27 Maximum Exercise Number: The maximum number of Warrants that may be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) is [●]
(NB: Not applicable for European Style Warrants)

PARAGRAPHS 28 AND 31 (INCLUSIVE) APPLY TO REDEEMABLE CERTIFICATES ONLY

- 28 Redemption Date: [●]
 [Settlement Business Day means [●]]
(NB: Only applicable in the case of Physical Delivery Securities)

- 29 Valuation Date: [●]
- 30 **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●]
- (iii) If redeemable in part: [●]
- (a) Minimum Redemption Amount: [●]
- (b) Maximum Redemption Amount: [●]
- (iv) Notice period: [●]
- 31 **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Optional Redemption Date(s): [●]
- (i) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●]
- (ii) Notice period: [●]
- 32 Notional Amount of each Certificate: [Currency] [Amount]
- 33 Averaging: Averaging [applies/does not apply] to the C&W Securities. [The Averaging Dates are [●]]
- 34 Scheduled Trading Day: [●]
(NB: Only applicable if different from the definition in Product Condition 1.4 (Definitions relevant to Index Linked Securities), Product Condition 3.4 (Definitions relevant to Equity Linked Securities), Product Condition 4.6 (Definitions relevant to Currency Linked Securities) or Product Condition 5.4 (Definitions relevant to Commodity Linked Securities))
- 35 Business Day Centre(s): The applicable Business Day Centre[s] for the purposes of the definition of “Business Day” in Base C&W Condition 4 (*Interest*) [is/are] [●]
- 36 Settlement: Settlement will be by way of [cash payment] [and/or] [physical delivery]
- 37 Bank’s option to vary settlement: The Bank [has/does not have] the option to vary settlement in respect of the C&W Securities pursuant to Base C&W Condition 5(e) (*Variation of Settlement*) in the case of Warrants or Base C&W Condition 8 (*Redemption and Redemption Procedure for Redeemable Certificates*) in the case of Redeemable Certificates
- 38 Cash Settlement Amount: [Cross-refer to formula in [Product Conditions]]
(NB: In the case of Warrants, only applicable if Base C&W

- Condition 5(b)(i)(c) or Base C&W Condition 5(b)(ii)(c) applies)*
(NB: Always applicable for all issues of Redeemable Certificates.)
- 39 Exchange Rate: [Applicable/Not Applicable]
 [Insert details]
- 40 Specified Currency: The Specified Currency for the payment of [the Cash Settlement Amount] (in the case of Cash Settled Securities)/[the Disruption Cash Settlement Amount] (in the case of Physical Delivery Securities) [and any other amounts payable in respect of the Securities] is [●]
- 41 Name and address of Calculation Agent: The Calculation Agent is [●]
(NB: Only applicable if Lloyds TSB Bank plc is not the Calculation Agent)
- 42 Failure to Deliver due to Illiquidity: Failure to Deliver due to Illiquidity [applies/does not apply] to the C&W Securities.
(NB: Only applicable in the case of the Physical Delivery Securities which are Equity Linked C&W Securities. Careful consideration should be given to whether Failure to Deliver is applicable to other Physical Delivery Securities)
- 43 **Index Linked/ Inflation Linked C&W Securities Provisions** [Applicable/Not Applicable]
(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Whether the C&W Securities relate to a basket of indices or a single index, the identity of the relevant Index/Indices or Inflation Index/Inflation Indices and details of the relevant index sponsors and whether such Index/Indices or Inflation Index/Inflation Indices are a Multi-Exchange Index: [Basket of Indices/Single Index] [Basket of Inflation Indices/Single Inflation Index]
 [(Give or annex details)]
 [Details of each Index Sponsor]
 Multi-Exchange Index [Yes/No]
 [The Threshold Percentage [applies/does not apply] in relation to such Index]
- (NB: Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a Euro Stoxx index)*
- (ii) Party responsible for making calculations pursuant to [Product Condition 1 (*Index Linked Securities*)]/[Product Condition 2 (*Inflation Linked Securities*)] (if not the Calculation Agent): [●]
- (iii) Exchange(s): [●]
- (iv) Related Exchange(s): [[●]/All Exchanges]
- (v) [Reference Month:]: [●]

- (vi) [Reference Bond:] [●]
- (vii) Cash Settlement Amount: [Express per Calculation Amount]
- (viii) [Valuation Date/Averaging Dates/ Determination Date:] [●]
- (ix) [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
(NB: only applicable where Averaging Dates are specified)]
- (x) [Settlement Price:] [Product Condition 1.4 (Definitions relevant to Index Linked Securities) applies/other]

(NB: if fallback set out in the definition of “Valuation Date” in Product Condition 1.4 (Definitions relevant to Index Linked Securities) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day)
- (xi) [Relevant Time/Valuation Time:] [Product Condition 1 (Index Linked Securities) applies/other]
- (xii) Trade Date: [●]
- (xiii) Correction of Index Levels: Correction of Index Levels

[applies/does not apply and the Settlement Price shall be calculated without regard to any subsequently published correction].

(If Correction of Index Levels does not apply, delete the following sub-paragraph)
- (xiv) [Correction Cut-Off Date:] [[●] Business Days prior to the [Exercise Date][Redemption Date]/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the [Exercise Date][Redemption Date]]
- (xv) [Settlement Date Extension] [Applicable/Not Applicable]
[Redemption Date Extension]:
- (xvi) [Extension Business Days:] [●]
(NB: only applicable where [Settlement Date Extension][Redemption Date Extension] is specified)]
- (xvii) Other terms or special conditions: [●]

(Repeat as necessary where there is more than one Index or insert a table)

- 44 Equity Linked C&W Securities Provisions** [Applicable/Not Applicable]
(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Whether the C&W Securities relate to a basket of equity securities or a single equity security and the identity of the [Basket of Underlying Equities/Single Underlying Equity]
[Specify details of each Underlying Equity and each Equity Issuer]

- relevant Equity Issuer(s) of the Underlying Equity/Equities:
- (ii) [Equity Issuer(s):] [●]
- (iii) Whether redemption or exercise of the C&W Securities will be by (a) Cash Settlement or (b) Physical Delivery or (b) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery] *(If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)*
- (iv) Party responsible for making calculations pursuant to Product Condition 3 (*Equity Linked Securities*) (if not the Calculation Agent): [●]
- (v) Exchange: [●]
- (vi) Related Exchange(s): [[●]/All Exchanges]
- (vii) Potential Adjustment Events: [Applicable/Not Applicable]
- (viii) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (ix) Tender Offer: [Applicable/Not Applicable]
- (x) Correction of Underlying Equity Prices: Correction of Underlying Equity Prices [applies/does not apply and the Settlement Price shall be calculated without regard to any subsequently published correction]
(If Correction of Underlying Equity Prices does not apply, delete the following sub-paragraph)
- (xi) [Correction Cut-Off Date:] [[●] Business Days prior to the [Exercise Date][Redemption Date]/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the [Exercise Date][Redemption Date]]
- (xii) Cash Settlement Amount: [*Express per Calculation Amount*]
- (xiii) [Valuation Date/Averaging Dates:] [●]
- (xiv) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xv) [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement] *(NB: only applicable where Averaging Dates are specified)*]
- (xvi) Settlement Price: [●][Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) applies [and the Settlement Price shall be determined by reference to the price of the relevant Underlying Equity at the Valuation Time on the Valuation Date]/other] *(NB: if fallback set out in the definition of "Valuation Date" in Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) does not apply, set out method for determining the Settlement Price in the event that each of the eight Scheduled Trading Days immediately following the Scheduled Valuation*

- Date is a Disrupted Day)*
- (xvii) Valuation Time: [Product Condition 3.4 (*Definitions relevant to Equity Linked Securities*) applies /other]
 - (xviii) Exchange Rate: [Applicable/Not Applicable]
[*Insert details*]
 - (xix) Trade Date: [●]
 - (xx) Relevant Assets: [●] (further particulars specified below) [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
 - (xxi) Asset Amount(s): [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
 - (xxii) Cut-Off Date: [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
 - (xxiii) Final Date: [●]
 - (xxiv) Delivery provisions for Asset Amount(s) (including details of who is to make such delivery) if different from the Base C&W Conditions and/or the Product Conditions: [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
 - (xxv) [Settlement Date Extension] [Applicable/Not Applicable]
[Redemption Date Extension:]
 - (xxvi) [Extension Business Days: [●]
(NB: *only applicable where [Settlement Date][Redemption Date] is specified*)]
 - (xxvii) Failure to Deliver due to Illiquidity: [Applicable/Not Applicable]

(NB: *Only applicable to certain types of Equity Linked C&W Securities*)
 - (xxviii) Specified Currency: [●]
 - (xxix) Other terms or special conditions: [●]

45 Currency Linked C&W Securities Provisions [Applicable/Not Applicable]

(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Single FX Rate or Basket of FX Rates: [Single FX Rate/Basket of FX Rates]
- (ii) [Calculation Amount:] [●] (*If Nominal Amount used, delete this paragraph*)
(Specify, in the case of *Currency Linked C&W Securities represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other*

- instances)*
- (iii) [Nominal Amount:] [●] (*If Calculation Amount used, delete this paragraph*)
- (iv) Reference Currency/Reference Currencies: [●]
- (v) Base Currency: [●]
- (vi) FX Price Source: [●] (*For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency*)
- (vii) FX Rate Sponsor: [Not Applicable/[●]]¹⁸ (*For a Non-USD FX Rate, specify for the Base Currency and the Reference Currency*)
- (viii) Number of FX Settlement Days: [Not Applicable/[●]]¹⁹
- (ix) Valuation Date(s)/Averaging Date(s): [Not Applicable/[●]]
- (x) Valuation time: [●]
- (xi) FX Disruption Events: [Benchmark Obligation Default]
[Price Materiality]
[Currency Replacement]
[Dual Exchange Rate]
[Governmental Authority Event]
[Illiquidity]
[Inconvertibility]
[Non-Transferability]
[Price Source Disruption]
[Unscheduled Holiday]
- Benchmark Obligation: [●]
- (xii) Cash Settlement Amount: [*Express per Calculation Amount*]
- Primary Rate: [●]
- Secondary Rate: [●]
- Price Materiality Percentage: [●]
- Any other FX Disruption Events: [None][*Specify others*]
- (xiii) Disruption Fallbacks:
- (a) Calculation Agent Determination: [Not Applicable/Applicable – to be applied [first /second/third]
- (b) Fallback Reference Price: [Not Applicable/Applicable – to be applied [first/second/third]]
- (c) Other: [Not Applicable/Applicable – to be applied [first/second/third]
- (xiv) Settlement Price: [●]
- (xv) Successor Currency: [Not Applicable/Applicable]
- (xvi) Rebasing: [Not Applicable/Applicable]
- (xvii) [Settlement Date Extension] [Applicable/Not Applicable]
[●]

¹⁸ Usually applicable in respect of emerging market currencies.

¹⁹ Usually applicable in respect of emerging market currencies.

	[Redemption Date Extension] [Extension Business Days]:	(NB: only applicable where [Settlement Date Extension] [Redemption Date Extension] is specified)
	(xviii) Other terms or special conditions:	[●]
46	Commodity Linked C&W Securities Provisions	[Applicable/Not Applicable]
		<i>(if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Relevant Commodity/Commodity Index/Basket of Commodities or Commodity Indices (including weighting of commodities/commodity indices)	[Relevant Commodity: [●]] [Commodity Index: [●]] [Basket of Commodities/Commodity Indices: [●] <i>(include weighting)</i>] [Commodity Index Sponsor: [●]]
	(ii) [Calculation Amount:] <i>(Specify, in the case of Commodity Linked C&W Securities represented by a Global Security, if Nominal Amount is not otherwise specified. Specify in all other instances)</i>	[●] <i>(If Nominal Amount used, delete this sub-paragraph)</i>
	(iii) [Nominal Amount:]	[●] <i>(If Calculation Amount used, delete this sub-paragraph)</i>
	(iv) Commodity Reference Price:	[●]
	(v) Price Source(s):	[●]
	(vi) Exchange(s):	[●]
	(vii) Specified Price:	[●]
	(viii) Delivery Date:	[●]
	(ix) Common Pricing:	[Applicable] [Not applicable] <i>(include only if Basket of Commodities/Commodity Indices)</i>
	(x) Cash Settlement Amount:	[Express per Calculation Amount]
	(xi) Commodity Market Disruption Events: <i>(With respect to a Relevant Commodity:)</i>	
	Price Source Disruption:	[Applicable/Not Applicable]
	Trading Disruption:	[Applicable/Not Applicable]
	Disappearance of Commodity Reference Price:	[Applicable/Not Applicable]
	Material Change in Formula:	[Applicable/Not Applicable]
	Material Change in Content:	[Applicable/Not Applicable]
	Tax Disruption:	[Applicable/Not Applicable]
	<i>(With respect to a Commodity Index:)</i>	

- Index Price Source Disruption: [Applicable/Not Applicable]
- Index Trading Disruption: [Applicable/Not Applicable]
- Closing Price Volatility: [Applicable/Not Applicable]
[Other (*Specify*)]
- (xii) Disruption Fallback(s): [As per Product Condition 5.3 (*Adjustments to a Commodity*)]
[Other (*specify any other applicable additional Disruption Fallback(s)*)]
- (xiii) Maximum Days of Disruption: [●]
- (xiv) Additional provisions for Trading Disruption: [If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption applies]
- (xv) Settlement Price: [Product Condition 5 (*Commodity Linked Securities*) applies/*other*]
- (xvi) Adjustments to Commodity Index: [As per Product Condition 5.3 (*Adjustments to a Commodity*)]
[Other (*specify*)]
- (xvii) Correction of Commodity Prices: Correction of Commodity Prices [applies/does not apply and the Relevant Commodity Price shall be calculated without regard to any subsequently published correction].
(If Correction of Commodity Prices does not apply, delete the following sub-paragraph)
- (xviii) [Correction Cut-Off Date: [[●] Business Days prior to the Maturity Date/In relation to Averaging Dates other than the final Averaging Dates, [●] days after the relevant Averaging Date and in relation to the final Averaging Date, [●] Business Days prior to the Maturity Date]]
- (xix) [Commodity Index Disclaimer:] [*Insert additional information on Commodity Index Disclaimer per Product Condition 5.3(f) (Commodity Index Disclaimer)*]
(NB only applicable where C&W Securities are linked to one or more Commodity Indices)
- (xx) Valuation Dates/Averaging Dates: [●]
- (xxi) Common Scheduled Trading Days: [Applicable/Not Applicable]
- (xxii) Valuation Time: [●]
- (xxiii) Relevant Assets: [●] (further particulars specified below) [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxiv) Asset Amount(s): [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxv) Cut-Off Date: [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]
- (xxvi) Final Date: [●]
- (xxvii) Delivery provisions for Asset Amount(s) (including details of who is to make such delivery) if [●] [*Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery*]

different from Base C&W
Conditions and/or Product
Conditions:

- (xxviii) [Settlement Date Extension] [Applicable/Not Applicable]
[Redemption Date Extension]:
- (xxix) [Extension Business Days: [●]
(NB: only applicable where [Settlement Date][Redemption
Date] is specified)]
- (xxx) [Bullion Business Centre(s):] [●]
- (xxx1) [Bullion Delivery Location(s):] [●]
- (xxxii) Other terms or special [●]
conditions:

47 Relevant Assets [Applicable/Not Applicable]

- (i) Type and class of Relevant [●]
Asset(s):
- (ii) Legislation under which the [●]
Relevant Asset(s) has/have been
created:
- (iii) Form of the Relevant Asset(s): [●]
- (iv) Currency of the Relevant [●]
Asset(s):
- (v) Rights attaching to the Relevant [●]
Asset(s):
*(Need to include information relating to dividend rights (as
per paragraph 1.5 of Annex 14 of Commission Regulation
(EC) 809/2004), voting rights, pre-emption rights in offers for
subscription of Relevant Asset(s) of the same class, rights to
share in the issuer of the Relevant Asset's/Assets' profits, rights
to share in any surplus in the event of liquidation, redemption
provisions and conversion provisions, in each case to the
extent applicable)*
- (vi) Listing of the Relevant Asset(s): [[●] (specify)/None]
- (vii) Description of any restrictions on [●]
the free transferability of the
Relevant Asset(s):
- (viii) Details of the existence of any [●]
mandatory takeover bids/or
squeeze-out and sell-out rules in
relation to the Relevant Asset(s):
- (ix) Details of any public takeover [●]
bids made by third parties in
respect of the Relevant Asset(s),
which have occurred during the
last financial year and the current
financial year, including the price
or exchange terms attaching to
such offers and the outcome

thereof:

- (x) Impact on the issuer of the [●]
Relevant Asset(s) of the exercise
of the right and any potential
dilution effect for the Relevant
Asset holders:

48 Additional Disruption Events

[Applicable/Not Applicable]

[Additional Disruption Events are only applicable to certain types of Index Linked C&W Securities, Inflation Linked C&W Securities, Equity Linked C&W Securities, Currency Linked C&W Securities or Commodity Linked C&W Securities]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[Change in Law]

[Hedging Disruption]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

(NB: Only applicable in the case of Equity Linked C&W Securities)

[Loss of Stock Borrow]

49 Early Cancellation Amount

Early Cancellation Amount(s) payable on redemption for (a) an illegality, (b) taxation reasons or on event of default or other early redemption, (c) in the case of Index Linked C&W Securities, following an Index Adjustment Event in accordance with Product Condition 1.3(ii)(4); (d) in the case of Inflation Linked C&W Securities, following the cessation of publication of the Index in accordance with Product Condition 2.3(b)(v); (e) in the case of Equity Linked C&W Securities, following certain corporate events in accordance with Product Condition 3.3 (*Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked C&W Securities in respect of Underlying Equities and Correction of Underlying Equity Prices*); (f) in the case of Currency Linked C&W Securities, following a Rebasing (if applicable) in accordance with Product Condition 4.5(d) (*Rebasing of C&W Securities*); (g) in the case of Commodity Linked C&W Securities, following an adjustment event in

[As determined by the Bank][●]

accordance with Product Condition 5.3(e) (*Adjustments to Commodity Index*) and/or the method of calculating the same (if required or if different from that set out in the Product Conditions); or (h) if so specified herein, following an Additional Disruption Event (if applicable) in accordance with Product Condition 6.2(iv); or (i) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Product Condition 7.1 (*Payment of Alternative Currency Equivalent*) and/or the method of calculating the same (if required or if different from that set out in the Product Conditions):

- 50 Unwind Costs** [Applicable/Not Applicable]
- 51 Additional Financial Centre(s) or other special provisions relating to payment dates:**
- 52 Special conditions, other modifications or other final terms** [●]
 [If, following the date of these Final Terms, but before the later of (i) the closure of the offer for the C&W Securities; and (ii) if applicable, the admission of the C&W Securities to the [Official List] [and to trading on [the London Stock Exchange's Regulated Market/ specify]] the Prospectus (the "**Original Prospectus**") is amended, supplemented, updated or replaced (including replacement following the expiry of the Original Prospectus), then the Bank shall be entitled, without the consent of any Securityholder, any prospective Securityholder, or any other person, to amend these Final Terms so as to provide, and/or replace these Final Terms with ones which provide, that references to the Original Prospectus herein shall be to the Original Prospectus as amended, supplemented, updated or replaced (save that the terms and conditions applicable to the C&W Securities shall be the Conditions set forth in the Original Prospectus)]
 [These Final Terms supersede and replace those dated [●] in relation to the C&W Securities]
(When adding any other final terms consideration should be given as to whether such amendments would be acceptable as final terms)
- 53 Syndication: The C&W Securities will be distributed on a [non-] Syndicated basis**
- (i) If Syndicated, names and addresses of Managers and underwriting commitments: [Give names, and addresses and underwriting commitments]
(Including 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: [●]
- 54 If non-syndicated, name and address of Dealer** [Not Applicable/give name and address]
- 55 Total commission and concession** [●]
- 56 Non-exempt Offer** [Not Applicable] [An offer of the C&W Securities may be made by [●]] 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*] (Public Offer Jurisdictions) during the period from [*specify date*] until [*specify date*] (Offer Period)]
- 57 Additional selling restrictions** [*Give details*]
- 58 Post-issuance Information** [●]/[Not Applicable][*Give details of secondary market pricing information or specify other particulars as may be applicable*]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of C&W Securities described herein pursuant to the Note, Certificate and Warrant Programme of Lloyds TSB Bank plc.

RESPONSIBILITY

The Bank accepts responsibility for the information contained in these Final Terms. [Information on underlying assets has been extracted from [*source*]. The Bank 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Bank:

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing: [London/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the C&W Securities to be admitted 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 RATING

- Ratings: [The C&W Securities to be issued have not been rated]
- [The C&W Securities to be issued have been rated:
- [S & P: [●]]
- [Moody's: [●]]
- [[Other]: [●]]
- [and endorsed by [●]] (*Insert this wording where one or more ratings included in the Final Terms has been endorsed by an EU registered credit rating agency for the purposes of Article 4(3) of the CRA Regulation*)
- [Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]
- (The above disclosure should only normally be included where the issue has been specifically rated.)*
- Insert one (or more) of the following options, as applicable:*
- Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:**
- [Insert legal name of particular credit rating agency entity providing rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).*
- Option 2: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulations:**
- [Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EU and registered under Regulation (EC) No 1060/2009 (the “CRA Regulation”).*

Option 3: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”).

Option 4: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:

[Insert legal name of particular credit rating agency providing rating] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the “CRA Regulation”) and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

3 NOTIFICATION

The *[include name of competent authority in EEA home Member State] [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with an update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.*

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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 [*“Offering and Sale”*], so far as the Bank is aware, no person involved in the offer of the C&W Securities has an interest material to the offer.”]

5 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 making profit and/or hedging certain risks, 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: [•]
(Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”)

(i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where this is the case, disclosure of net proceeds and total expenses at (ii) and (iii) above are also required).

6 PERFORMANCE OF [INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE [INDEX/BASKET OF INDICES]] (Index Linked/ Inflation Linked C&W Securities only)

[Need to include details of where past and future performance and volatility of the [index/basket of indices] can be obtained, the relevant weighting of each index within a basket of indices and where pricing information is available.] [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 the name of [the/each] index, ISIN (if applicable), the name of [the/each] index sponsor and a description if composed by the Bank and if the index is not composed by the Bank need to include details of where the information about [the/each] index can be obtained.]

[Identify the source of all third party information.]

7 PERFORMANCE OF [THE EQUITY/BASKET OF EQUITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE EQUITY/BASKET OF EQUITIES]] (Equity Linked C&W Securities only)

[Need to include details of the name of the equity company, any security identification number of the equities including the ISIN, if relevant, where pricing information about the equities is available, the relevant weighting of each equity within a basket of equities (if relevant) and where past and future performance and volatility of the [equity/basket of equities] can be obtained.]

[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.]

[Identify the source of all third party information.]

8 PERFORMANCE OF [THE FX RATE/BASKET OF FX RATES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FX RATE/BASKET OF FX RATES]] (Currency Linked C&W Securities only)

[Need to include details of the FX rate, where pricing information about the FX rates is available, the relevant weighting of each FX rate within a basket of FX rates (if relevant) and where past and future performance and volatility of the [FX rate/basket of FX rates] can be obtained.]

[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.]

[Identify the source of all third party information.]

9 PERFORMANCE OF [THE COMMODITY/COMMODITY INDEX/BASKET OF COMMODITIES/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/COMMODITY INDEX/BASKET OF COMMODITIES/BASKET OF COMMODITY INDICES]] (Commodity Linked C&W Securities only)

[Need to include details of the name of the commodity/commodity index, where pricing information about the commodities/commodity indices is available, the relevant weighting of each commodity/commodity index within a basket of commodities/commodity indices (if relevant) and where past and future performance and volatility of the [commodity/commodity index or basket of commodities/commodity indices] can be obtained.]

[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.]

[Identify the source of all third party information.]

[Where third-party information is incorporated under items (6) - (9) above, include the following statement:]

[The information set out above constitutes third-party information and were obtained in the [English] language from [_____] published by [_____]. [The information found at [*specify source*] referred to in the previous sentence does not form part of and is not incorporated by reference into these Final Terms.] The information set out above have been accurately reproduced from the sources identified above and, so far as the Bank is aware and is able to ascertain from information published by the third parties referred to above, no facts have been omitted which would render the information set out above inaccurate or misleading.]

10 TERMS AND CONDITIONS OF THE OFFER

- | | | |
|--------|--|---|
| (i) | Names and addresses of any Dealers: | [●] |
| (ii) | Offer Period: | [●]
<i>(Should be from a specified date to a specified date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”)</i> |
| (iii) | Offer Price: | [[●]/Up to [●]] |
| (iv) | Base C&W Conditions to which the offer is subject: | [Offers of the C&W Securities are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Dealers, notified to investors by such relevant Dealers.]] [The Bank reserves the right to cancel the issue of the C&W Securities for whatever reason, including (without limitation) if (a) any circumstance occurs which, in the Bank’s opinion, may have a significant impact on the issue or (b) the number of C&W Securities or currency amount in respect of which offers are received is (or is determined by the Bank or any Dealer to be likely to be) less than the number or amount specified in paragraph (vi) below] |
| (v) | [Description of the application process: | [●]] |
| (vi) | [Details of the minimum and/or maximum amount of application: ²⁰ | [●]] |
| (vii) | [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [●]] |
| (viii) | [Details of method and time limits for paying up and delivering the C&W Securities: | [The C&W Securities will be issued on the Issue Date against payment to the Bank of the net subscription moneys. Investors will be notified by the relevant Dealer of their allocations of C&W Securities and the settlement arrangements in respect thereof]] |
| (ix) | [Manner and date in which results of the offer are to be made public: | [●]] |
| (x) | [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of | [●]] |

²⁰ Whether in number of C&W Securities or amount to invest.

subscription rights not exercised:

- | | | |
|--------|--|--|
| (xi) | [Categories of potential investors to which the C&W Securities are offered: ²¹ | [Offers may be made by the Dealers in <i>[insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported]</i> to any person <i>[insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules]</i> . In other European Economic Area countries, offers will only be made by the Dealers pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus]] |
| (xii) | [Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: | [<i>Process for notification</i> –
No dealings in the C&W Securities on a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council on Markets in financial instruments may take place prior to the Issue Date]] |
| (xiii) | [Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [•]] |
| (xiv) | Name(s) and address(es), to the extent known to the Bank, of the places in the various countries where the offer takes place: | [None/give details] |

11 OPERATIONAL INFORMATION

- | | | |
|---------|---|---|
| (i) | ISIN Code: | [•] |
| (ii) | Common Code: | [•] |
| [(iii)] | <i>(insert here any other relevant codes such as CNS codes)</i> | [•] |
| [(iv)] | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | <p>[Euroclear UK and Ireland Limited (CREST)
33 Cannon Street
London EC4M 5SB]
[Central Moneymarkets Unit]
[Address]
[The Securities will be cleared through the CMU Service. CMU Instrument Number: [•].
Persons holding a beneficial interest in the Securities through Euroclear or Clearstream, Luxembourg will hold their interests through an account opened and held by Euroclear or Clearstream, Luxembourg (as applicable) with the CMU Operator.][<i>include this text for CMU Securities only</i>]
[Not Applicable/give name(s) and number(s) [and set out any necessary terms and/or amendments to the Base C&W Conditions]</p> |

²¹ If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.

[The Notes will be cleared through Euroclear Sweden]

[(v)] [CMU Certificate & Warrant Agent]

[•]

[(vi)] [Swedish Issue Agent]

[•]

USE OF PROCEEDS

The net proceeds of each issue of Securities will be used for the general business purposes of Lloyds Banking Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186) (the “**Circular**”), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces and cities including Beijing, and (iii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle any current account items between them (except in the case of payments for exports of goods from the PRC, such Renminbi remittance may only be effected by approved pilot enterprises in designated pilot districts in the PRC). In August 2011, the PRC government further expanded Renminbi cross-border trade settlement across the PRC.

As a new regulation, the Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circular and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlements for capital account items are generally required to be made in currencies other than Renminbi. For example, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contract and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or the relevant PRC parties are also generally required to make capital item payments, including payment of (i) proceeds arising from liquidations, transfers of shares and reductions of capital and (ii) interest and principal repayments to foreign investors in a foreign currency. However, the relevant PRC authorities may allow a foreign entity to make a capital contribution or a shareholder’s loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for such foreign invested enterprise to make related interest payments and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. Such foreign invested enterprise may be required to complete registration and verification process with the relevant PRC authorities before such Renminbi remittances are authorised.

On 7 April 2011, the State Administration of Foreign Exchange (“SAFE”) published the Circular on Issues Concerning the Capital Account Items in Connection with Cross-border Renminbi (the “**SAFE Circular**”), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital accounts of non-PRC residents) to contribute towards an onshore enterprise or to make payment for the purchase of any equity interest in an onshore enterprise from a PRC resident, such onshore enterprise shall be required to (i) submit the

prior written consent obtained from the relevant Ministry of Commerce (“**MOFCOM**”) to the relevant local branches of SAFE that oversee such onshore enterprise and (ii) register for foreign invested enterprise status. Furthermore, the SAFE Circular states that any foreign debts borrowed, and any external guarantees provided, by an onshore entity (including a financial institution) denominated in RMB shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

On 12 October 2011, MOFCOM published the Circular on Issues in Relation to Cross-border RMB Foreign Direct Investment (the “**MOFCOM RMB FDI Circular**”). In accordance with the MOFCOM RMB FDI Circular, MOFCOM and its local counterparts are authorised to approve RMB foreign direct investment (“**FDI**”) in accordance with existing PRC laws and regulations regarding foreign investment, with certain exceptions which require the preliminary approval of the applicable local counterpart of MOFCOM and the consent of MOFCOM: (i) RMB FDI with a capital contribution in Renminbi of RMB300 million or more; (ii) RMB FDI in financing guarantee, financing lease, micro financing or auction industries; (iii) RMB FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) RMB FDI in cement, iron & steel, electrolytic aluminium, shipbuilding or other policy sensitive sectors. In addition, RMB FDI in real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although Renminbi foreign debt remains unavailable to foreign invested real estate enterprises. The MOFCOM RMB FDI Circular also states that the proceeds of RMB FDI may not be used for investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement under the PRC strategic investment regime.

On 13 October 2011, **PBOC** published the Measures on Administration of RMB Settlement in Relation to Foreign Direct Investment (the “**PBOC RMB FDI Measures**”), pursuant to which special approval for RMB FDI and shareholder loans which was previously required by PBOC is no longer necessary. In some cases however, post-event filing with PBOC is still necessary.

Among others things, the PBOC RMB FDI Measures provide that (i) foreign invested enterprises are required to register with the local branch of PBOC within ten working days of obtaining the relevant business licences for the purpose of Renminbi settlement, (ii) a foreign investor is allowed to open a Renminbi expense account to reimburse certain expenses before the establishment of a foreign invested enterprise, and the balance in such an account can be transferred to the Renminbi capital account of such foreign invested enterprise when it is established, (iii) commercial banks can remit a foreign investor’s Renminbi proceeds from any distributions (in the form of dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents, (iv) if a foreign investor intends to use its Renminbi proceeds from any distributions (in the form of dividends or otherwise) by its PRC subsidiaries, such foreign investor may open a Renminbi re-investment account to pool the Renminbi proceeds and (v) PRC parties selling stakes in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by such foreign investors.

The PBOC RMB FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its Renminbi debt and foreign currency debt owed to its offshore shareholders, offshore affiliates and offshore financial institutions, and that a foreign invested enterprise may open a Renminbi account to receive Renminbi proceeds borrowed offshore by submitting the applicable Renminbi loan contract to the relevant commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the such commercial bank.

As new regulations, the SAFE Circular, the MOFCOM RMB FDI Circular and the PBOC RMB FDI Measures will be subject to interpretation and application by the relevant PRC authorities. Furthermore, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

CLEARING AND SETTLEMENT

Book-Entry Ownership

Bearer Notes

The Bank may make applications to Clearstream, Luxembourg and/or Euroclear for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depository or common safekeeper, as the case may be, for Clearstream, Luxembourg and/or Euroclear or an Alternative Clearing System (including, in the case of CMU Notes, the CMU Service) as agreed between the Bank and Dealer. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear or, if appropriate, the Alternative Clearing System. Each Global Note deposited with a common depository or common safekeeper, as the case may be, on behalf of Euroclear and Clearstream, Luxembourg will have an ISIN and a Common Code. Global Notes deposited with a common depository or nominee or custodian of an Alternative Clearing System may have additional or alternative identifiers, as set out in the relevant Final Terms.

Registered Notes

The Bank may make applications to Clearstream, Luxembourg and/or Euroclear and/or an Alternative Clearing System (including, in the case of CMU Notes, the CMU Service) for acceptance in their respective book-entry systems in respect of the Registered Notes to be represented by a Global Note Certificate. Each Global Note Certificate deposited with a nominee for Clearstream, Luxembourg and/or Euroclear will have an ISIN and a Common Code. Global Note Certificates registered in the name of a nominee for an Alternative Clearing System may have additional or alternative identifiers, as set out in the relevant Final Terms.

All Registered Notes will initially be in the form of a Global Note Certificate. Individual Certificates will only be available in amounts specified in the relevant Final Terms.

Transfers of Registered Notes

Transfers of interests in Global Note Certificates within Clearstream, Luxembourg, Euroclear and the CMU Service will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note Certificate to such persons may be limited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and/or Euroclear and/or the CMU Service will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg, Euroclear and the CMU Service will need to have an agreed settlement date between the parties to such transfer.

Individual Certificates

Registration of title to Registered Notes in a name other than a depository or its nominee for Clearstream, Luxembourg, Euroclear and the CMU Service or for an Alternative Clearing System will be permitted only in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form – Exchange – Global Note Certificates". In such circumstances, the Bank will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Note Certificate must provide the Registrar with a written order containing

instructions and such other information as the Bank and the Registrar may require to complete, execute and deliver such individual Certificates.

CREST Depository Interests

Following their delivery into a clearing system, interests in Notes may be delivered, held and settled in CREST by means of the creation of CDIs representing the interests in the relevant Underlying Notes. The CDIs will be issued by the CREST Depository to CDI Holders and will be governed by English law.

The CDIs will represent indirect interests in the interest of CREST International Nominees Limited (the “**CREST Nominee**”) in the Underlying Notes. Pursuant to the CREST Manual (as defined below), Notes held in global form by the Common Depository may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through CREST.

Interests in the Underlying Notes will be credited to the CREST Nominee’s account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Underlying Note, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the Underlying Notes on trust for such CDI Holder. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Notes and other relevant notices issued by the Bank.

Transfers of interests in Underlying Notes by a CREST participant to a participant of Euroclear or Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such Notes underlying the CDIs to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

The CDIs will have the same ISIN as the ISIN of the Underlying Notes and will not require a separate listing on the Official List.

Prospective subscribers for Notes represented by CDIs are referred to Chapter 3 of the CREST Manual which contains the form of the CREST Deed Poll to be entered into by the CREST Depository. The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Bank, including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Manual (which forms part of the CREST Manual)) executed by the CREST Depository. These rights may be different from those of holders of Notes which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service (the “**CREST International Settlement Links Service**”). The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

- (i) CDI Holders will not be the legal owners of the Underlying Notes. The CDIs are separate legal instruments from the Underlying Notes to which they relate and represent an indirect interest in such Underlying Notes.
- (ii) The Underlying Notes themselves (as distinct from the CDIs representing indirect interests in such Underlying Notes) will be held in an account with a custodian. The custodian will hold the Underlying Notes through a clearing system. Rights in the Underlying Notes will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Notes or to interests in the Underlying Notes will depend on the rules of the clearing system in or through which the Underlying Notes are held.
- (iii) Rights under the Underlying Notes cannot be enforced by CDI Holders except indirectly through the intermediary depositories and custodians described above. The enforcement of rights under the Underlying Notes will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Notes are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Notes. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Notes in the event of any

insolvency or liquidation of the relevant intermediary, in particular where the Underlying Notes held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

- (iv) The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the “**CREST Manual**”) and the CREST Rules (the “**CREST Rules**”) (contained in the CREST Manual) applicable to the CREST International Settlement Links Service and CDI Holders must comply in full with all obligations imposed on them by such provisions.
- (v) Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
- (vi) CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website at www.euroclear.com/site/public/EUI.
- (vii) Potential investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Notes through the CREST International Settlement Links Service.
- (viii) Potential investors should note that neither the Bank, the Fiscal Agent nor any Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.
- (ix) Potential investors should note that Notes issued in temporary global form exchangeable for a Permanent Global Security will not be eligible for CREST settlement as CDIs. As such, investors investing in the Underlying Notes through CDIs will only receive the CDIs after such Temporary Global Security is exchanged for a Permanent Global Security, which could take up to 40 days after the issue of the Notes.

CMU

The CMU Service is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the CMU Members of capital markets instruments (“**CMU Instruments**”) which are specified in the CMU Manual (as defined in the Agency Agreement) as capable of being held within the CMU Service.

The CMU Service is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the services is open to all members of the Hong Kong Capital Markets Association, “authorised institutions” under the Banking Ordinance (Cap. 155) of Hong Kong and other domestic and overseas financial institutions at the discretion of the HKMA.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU Service is limited. In particular (and unlike the European clearing systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are

credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members.

Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging Agent will collect such certificates from the relevant CMU Members identified from a CMU Instrument Position Report obtained by request from the HKMA for this purpose.

LLOYDS BANKING GROUP

Overview

The businesses of Lloyds Banking Group are in or owned by the Bank and the Bank is wholly owned by the Company. Accordingly, set out below is information relating both to the Group and the Bank which is necessary in order for investors to understand the business of the Bank and the relevance of its relationship with the Company.

Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, primarily in the UK, to personal and corporate customers.

History and development of Lloyds Banking Group

The history of the Group can be traced back to the 18th century when the banking partnership of Taylors and Lloyds was established in Birmingham, England. Lloyds Bank Plc was incorporated in 1865 and during the late 19th and early 20th centuries entered into a number of acquisitions and mergers, significantly increasing the number of banking offices in the UK. In 1995, it continued to expand with the acquisition of the Cheltenham and Gloucester Building Society (C&G).

TSB Group plc became operational in 1986 when, following UK Government legislation, the operations of four Trustee Savings Banks and other related companies were transferred to TSB Group plc and its new banking subsidiaries. By 1995, the TSB Group had, either through organic growth or acquisition, developed life and general insurance operations, investment management activities, and a motor vehicle hire purchase and leasing operation to supplement its retail banking activities.

In 1995, TSB Group plc merged with Lloyds Bank Plc. Under the terms of the merger, the TSB and Lloyds Bank groups were combined under TSB Group plc, which was re-named Lloyds TSB Group plc, with Lloyds Bank Plc, which was subsequently re-named Lloyds TSB Bank plc, the principal subsidiary. In 1999, the businesses, assets and liabilities of TSB Bank plc, the principal banking subsidiary of the TSB Group prior to the merger, and its subsidiary Hill Samuel Bank Limited were vested in Lloyds TSB Bank plc, and in 2000, Lloyds TSB Group acquired Scottish Widows. In addition to already being one of the leading providers of banking services in the UK, this transaction also positioned Lloyds TSB Group as one of the leading suppliers of long-term savings and protection products in the UK.

On 18 September 2008, with the support of the UK Government, the boards of Lloyds TSB Group plc and HBOS plc announced that they had reached agreement on the terms of a recommended acquisition by Lloyds TSB Group plc of HBOS plc. The shareholders of Lloyds TSB Group plc approved the acquisition at the Company's general meeting on 19 November 2008. On 16 January 2009, the acquisition was completed and Lloyds TSB Group plc changed its name to Lloyds Banking Group plc.

Pursuant to two placing and open offers which were completed by the Company in January and June 2009 and the Rights Issue completed in December 2009, the UK Government acquired 43.4 per cent. of the Company's issued ordinary share capital. Following further issues of ordinary shares, the UK Government's holding has been reduced to approximately 39.8 per cent. as at 23 March 2012.

Ratings

On 7 October 2011, the long-term ratings of the Bank, the Company, HBOS plc and Bank of Scotland plc together with a number of other UK financial institutions, were downgraded by Moody's, and on 13 October 2011, the short- and long-term ratings of the Bank, the Company, HBOS plc and Bank of Scotland plc, together with a number of other UK financial institutions, were downgraded by Fitch Ratings Limited ("Fitch"). These downgrades resulted from the rating agencies' review of systemic support assumptions incorporated into bank ratings and a reduction of implied UK Government support for the banking sector. On 11 October 2011 and 13

October 2011, respectively, these rating agencies also downgraded the ratings of the Group's insurance subsidiaries. Moody's downgraded their ratings as a result of the downgrade of the Bank and the restructuring of the Company's insurance businesses whilst Fitch downgraded their ratings as a result of the downgrade of the Company.

On 9 November 2011, Standard & Poor's Ratings Services updated its methodologies and assumptions for rating banks entitled "Criteria – Financial Institutions – Banks: Rating Methodology and Assumptions" and confirmed that as a result Standard & Poor's Credit Market Services Europe Limited ("S&P") expected to announce changes to current bank ratings within the following six months. On 29 November 2011, the short- and long-term ratings of the Company and HBOS plc and the long-term ratings of the Bank and Bank of Scotland plc, together with a number of other UK financial institutions, were downgraded by S&P. On 15 February 2012, Moody's placed the ratings of 114 European financial institutions, including the Bank, the Company, HBOS plc and Bank of Scotland plc, on review for downgrade.

As at the date of this Prospectus: (i) long-term senior obligations of the Bank are rated "A" by S&P, "A1" by Moody's and "A" by Fitch; and (ii) short-term obligations of the Bank are rated "A-1" by S&P, "P-1" by Moody's and "F1" by Fitch. Each of Fitch, Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Expected ratings in relation to Securities issued by the Bank under the Programme

S&P is expected to rate: senior notes issued by the Bank with a maturity of one year or more "A"; senior notes issued by the Bank with a maturity of less than one year "A-1".

Moody's is expected to rate: senior notes issued by the Bank with a maturity of one year or more "A1"; senior notes issued by the Bank with a maturity of less than one year "P-1" (ratings under review for downgrade).

Securities issued by the Bank pursuant to this Programme will be rated by Fitch on a case by case basis (if at all).

As defined by S&P:

- (a) an "A" rating means the obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong; and
- (b) an "A-1" rating means the obligation rated "A-1" is rated in the highest category by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong.

As defined by S&P, an addition of a plus (+) or minus (-) sign shows relative standing within the major rating categories.

As defined by Fitch:

- (a) an "A" rating indicates expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings; and
- (b) an "F1" rating indicates the strongest intrinsic capacity for timely payment of financial commitments.

As defined by Moody's:

- (a) an "A1" rating means the obligation rated "A1" is considered upper-medium grade and is subject to low credit risk. The modifier "1" indicates that the obligation ranks in the higher end of its generic rating category; and
- (b) a "P-1" rating means the obligor is considered to have a superior ability to repay the obligation.

The rating definitions set out above constitute third-party information and were obtained in the English language from (i) the publication entitled “Standard & Poor’s Ratings Definitions – 24 February 2012” published by S&P (available at www.standardandpoors.com), (ii) the publication entitled “Rating Symbols and Definitions – April 2012” published by Moody’s (available at www.moodys.com) and (iii) the publication entitled “Definitions of Ratings and Other Forms of Opinion – April 2012” published by Fitch (available at www.fitchratings.com). The information found at the websites referred to in the previous sentence does not form part of and is not incorporated by reference into this Prospectus. The rating definitions set out above have been accurately reproduced from the sources identified above and, so far as the Bank is aware and is able to ascertain from information published by the third parties referred to above, no facts have been omitted which would render the ratings definitions set out above inaccurate or misleading.

The credit ratings referred to and included in this Prospectus have been issued by S&P, Fitch and Moody’s, each of which is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies will be disclosed in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to change, suspension or withdrawal at any time by the assigning rating agency.

For detail on credit ratings risks see “Risk Factors – Financial soundness related risks”. In particular, see Risk Factor 4.2 entitled, “The Group’s borrowing costs and access to the capital markets is dependent on a number of factors, and increased costs or reduction in access could materially adversely affect the Group’s results of operations, financial condition and prospects.”.

Strategy of Lloyds Banking Group

The Group is a well diversified UK financial services group providing a wide range of banking and financial services to personal, commercial and corporate customers. The main focus of the Group remains the financial services markets in the UK, and the Group has leading positions in many of the markets in which it participates, a comprehensive distribution capability, well recognised brands and a large customer base. The Group’s corporate strategy is built around becoming the best bank for individual, commercial and corporate customers across the UK and creating value by investing in areas that make a real difference to these customers. Customer leadership driven by superior customer insight, tailored products, better service and relationship focus is the overriding priority. There are a number of other key elements to the strategy announced in June 2011, including simplifying the business, improving the Group’s agility and efficiency, whilst focusing on core markets which offer strong returns and attractive growth, maintaining a prudent approach to risk and further strengthening the Group’s balance sheet.

The four key elements of the Group’s action plan to deliver its strategy are:

Reshape the Group’s business portfolio to fit its assets, capabilities and risk appetite

The Group will invest in core areas which offer strong returns and attractive growth: these are businesses which are capital and liquidity efficient, with sustainable competitive advantages, and which are central to its core customer strategy.

In reshaping its business the Group is focusing on the continued reduction of assets outside of its risk appetite, the continued application of a conservative approach to, and a prudent appetite for, risk and the streamlining of its international presence.

Simplify the Group to improve agility and efficiency

The HBOS integration programme was substantially completed in 2011, delivering a single IT platform and a run-rate of £2 billion per annum in cost synergies and other operating efficiencies. The Group is now targeting a further £1.7 billion of cost savings in 2014 through a series of simplification initiatives.

Savings will be released through a fundamental review of the Group's operations and processes, the creation of a more efficient distribution platform and increased use of digital channels, optimising sourcing and creating a more agile organisation through delayering the management structure, centralising control functions and simplifying the legal structures.

Invest to be the best bank for customers

The Group intends to increase the investment in its business with a focus on becoming the best bank for customers, becoming the best through the cycle partner for its business customers and maintaining bancassurance as a core element of this proposition.

Strengthen the Group's balance sheet and liquidity position

The Group aims to continue to strengthen its balance sheet and liquidity position through:

- Targeting a core tier 1 capital ratio, prudently in excess of 10 per cent.;
- Exceeding regulatory liquidity requirements;
- Maintaining a stable funding base; and
- Improving the Group's loan to deposit ratio to 130 per cent. or below by end 2014, although this is expected to be achieved in 2012.

Summary

The Group is looking to create a simpler, more agile, efficient and responsive organisation with a real focus on operating sustainably and responsibly. Whilst focusing on core markets, which offer strong returns and attractive growth, the Group will maintain a prudent approach to risk and further strengthen its balance sheet.

Businesses and Activities of Lloyds Banking Group

The Group is organised into five segments: Retail; Wholesale; Commercial; Wealth and International; and Insurance.

Retail

Retail operates the largest retail bank in the UK and is a leading provider of current accounts, savings, personal loans, credit cards and mortgages. With its strong stable of brands including Lloyds TSB, Halifax, Bank of Scotland and Cheltenham & Gloucester, it serves over 30 million customers through one of the largest branch and fee free ATM networks in the UK.

Retail is focused on effectively meeting the needs of its customers. The division provides current accounts, including packaged accounts and basic and social banking accounts. It is also the largest provider of personal loans in the UK, as well as being the UK's leading credit card issuer. Retail provides approximately one in five new residential mortgages making it one of the leading UK mortgage lenders and provided over 52,000 mortgages to help first time buyers in 2011. Retail is the largest private sector savings provider in the UK. It is also a major general insurance and bancassurance distributor, offering a wide range of long-term savings, investment and general insurance products.

Wholesale

The division comprises Wholesale Banking and Markets ("WBM"), Wholesale Business Support Unit and the Group's Asset Finance business. The WBM business serves corporates with turnover above £15 million and financial institutions with a range of relationship focused propositions, segmented according to customer need.

WBM's businesses are grouped into three areas: (i) coverage, (ii) product and (iii) a support function providing centralised coordination of critical business processes and activities.

Coverage comprises Corporate Banking, Mid Markets and Sales. Corporate Banking is responsible for the overall management of relationships with major corporate and institutional customers, principally in the UK. Similarly, Mid Markets manages the relationships with mid market corporates which operate on a pan-UK basis. Sales provides customers with tailor-made risk management solutions through liability, foreign exchange, commodity and interest rate management products.

Product comprises Capital Markets, Portfolio Management, Trading, Structured Corporate Finance, Transaction Banking, Structured Transactions Group and Lloyds Development Capital. These product units work alongside the coverage teams to provide specialised lending, access to capital markets and multi product financing solutions to WBM's customers. In addition, these product units provide access to financial markets in order to meet the Group's balance sheet management requirements and provide trading infrastructure to support execution of customer driven risk management transactions.

Wholesale Business Support Unit supports corporate customers that encounter difficulties during economic downturns. Wholesale operates three teams to support customers in such difficulties – Corporate, Specialist Finance and Corporate Real Estate.

Asset Finance consists of a number of leasing and speciality lending businesses including Contract Hire (Lex Autolease) and Consumer Finance (Black Horse Motor and Personal Finance).

Commercial

The Commercial business serves in excess of a million small and medium sized enterprises ("SMEs") and community organisations with turnover of up to £15 million. Commercial's customers range from start-up enterprises to established corporations, with a range of propositions aligned to customer needs. The business comprises Commercial Banking and Commercial Finance and the invoice discounting and factoring business which also offers hire purchase, leasing and supplier finance products.

Commercial supports the trading, investment and protection needs of business customers, principally in the UK. Its vision is to be the relationship bank of choice across the UK for SME customers; committed to supporting the economy and communities through encouraging enterprise, providing access to finance and fair and transparent pricing. As part of this the Group is working to meet its lending commitments agreed with the UK Government with a focus on a through the cycle credit policy and a proactive programme of support. The Group is investing both in Commercial and in other parts of the Group to enhance products and services to SMEs and support the lives and prospects of customers through their business life cycle.

Wealth and International

The Wealth business comprises private banking, wealth management and asset management. Wealth's global private banking and wealth management operations cater to the full range of wealth clients from affluent to Ultra High Net Worth within the UK, UK expatriates and others with UK connections. The private banking and wealth management business operates under the Lloyds TSB and Bank of Scotland brands. The asset management business, Scottish Widows Investment Partnership, has a broad client base, managing assets for Lloyds Banking Group customers as well as a wide range of clients including pension funds, charities, local authorities, Discretionary Managers and Financial Advisers. In addition, the Group holds a 60 per cent. stake in St James's Place, the UK's largest independent listed wealth manager.

The International business comprises the Group's other international banking businesses outside the UK, with the exception of corporate business in North America which is managed through the Group's Wholesale division. These largely comprise corporate, commercial and asset finance business in Australia and Continental Europe and retail businesses in Germany and the Netherlands.

Insurance

The Insurance division provides long-term savings, protection and investment products and general insurance products to customers in the UK and Europe and consists of three elements:

Life, Pensions and Investments UK

The UK Life, Pensions and Investments business is the leading bancassurance provider in the UK and has one of the largest intermediary channels in the industry. The business provides long-term savings, protection and investment products distributed through the bancassurance, intermediary and direct channels using the Lloyds TSB, Halifax, Bank of Scotland and Scottish Widows brands.

In common with other life assurance companies in the UK, the life and pensions business of each of the life assurance companies in the Group is written in a long-term business fund. The main long-term business funds are divided into one or both of With Profit and Non-Profit sub funds.

With-profits life and pensions products are written from the respective With Profit sub-funds in the Group. The benefits accruing from these policies are designed to provide a smoothed return to policyholders who hold their policies to maturity through a mix of annual and final (or terminal) bonuses added to guaranteed basic benefits. The guarantees generally only apply on death or maturity. The actual bonuses declared will reflect the experience of the With Profit sub-fund.

Other life and pensions products are generally written from Non-Profit sub-funds.

Examples include unit-linked policies, annuities, term assurances and health insurance (under which a predetermined amount of benefit is payable in the event of an insured event such as being unable to work through sickness). The benefits provided by linked policies are wholly or partly determined by reference to a specific portfolio of assets known as unit-linked funds.

Life, Pensions and Investments Europe

The European Life, Pensions and Investments business distributes products primarily in the German market under the Heidelberger Leben and Clerical Medical brands.

General Insurance

The General Insurance business is a leading distributor of home insurance in the UK, with products sold through the branch network, direct channels and strategic corporate partners. The business also has brokerage operations for personal and commercial insurances. It operates primarily under the Lloyds TSB, Halifax and Bank of Scotland brands.

Competitive Environment

The Group provides financial services to personal and corporate customers, predominantly in the UK but also overseas. The main business activities of the Group are retail, commercial and corporate banking, general insurance, and life, pensions and investment provision.

In the retail banking market, the Group competes with banks and building societies, major retailers and internet-only providers. In the mortgage market, competitors include the traditional banks and building societies and specialist mortgage providers. The Group competes with both UK and foreign financial institutions in the wholesale banking markets and with bancassurance, life assurance and general insurance companies in the UK insurance market.

In the competitive open market in which the Group operates there is an increasing range of products and services available to customers and, with the current public scrutiny of banks, the expectations and demands of customers continue to increase.

For more information see “Risk Factors – Competition related risks – The Independent Commission on Banking and the UK Treasury Select Committee have reviewed competition in the UK retail banking industry. The potential impact of the recommendations is inherently uncertain and could have a material adverse effect on the

interests of the Group.” and “Risk Factors – Business and economic risks – The Group’s businesses are conducted in highly competitive environments and the Group’s financial performance depends upon management’s ability to respond effectively to competitive pressures.”.

Regulation

Overview of UK Regulation

The FSA has responsibility under the FSMA for the regulation and oversight of a wide range of financial services activities in the UK and is responsible for the authorisation and supervision of institutions that perform regulated activities as defined in the FSMA.

Regulatory Approach of the FSA

The FSA’s regulatory approach requires senior management of a financial institution to ensure that it takes reasonable care to organise and control its affairs responsibly and effectively and that it develops and maintains adequate risk management systems.

The FSA Handbook sets out rules and guidance across a range of issues with which financial institutions are required to comply including prudential rules relating to capital adequacy and liquidity, high level principles of business and detailed conduct of business standards and reporting standards.

On 27 January 2012, the Government published the Financial Services Bill. The proposed new UK regulatory architecture will see the transition of regulatory and supervisory powers from the FSA to the Financial Conduct Authority (the “**FCA**”) and Prudential Regulatory Authority (the “**PRA**”). The PRA will be responsible for supervising banks, building societies and other large firms. The FCA will focus on consumer protection and market regulation. The Financial Services Bill is also proposing new responsibilities and powers for the FCA. The most noteworthy are the proposed greater powers for the FCA in relation to competition and the proposal to widen its scope to include consumer credit. The Financial Services Bill is expected to take effect in early 2013.

In April 2011, the FSA commenced an internal reorganisation as a first step in a process towards the formal transition of regulatory and supervisory powers from the FSA to the FCA and PRA in 2013. Until this time the responsibility for regulating and supervising the activities of the Group will remain with the FSA. On 2 April 2012 the FSA introduced a new ‘twin peaks’ model and the intention is to move the FSA as close as possible to the new style of regulation outlined in the Financial Services Bill. There are to be two independent groups of supervisors for banks, insurers and major investment firms covering prudential and conduct. All other firms (those not dual regulated) are to be supervised solely by the conduct supervisors.

Other Bodies Impacting the Regulatory Regime

The Bank of England and HM Treasury

The agreed framework for co-operation in the field of financial stability in the financial markets is detailed in the Memorandum of Understanding published jointly by HM Treasury, the FSA and the Bank of England (the “**Tripartite Authorities**”). The Bank of England has specific responsibilities in relation to financial stability, including: (i) ensuring the stability of the monetary system; (ii) oversight of the financial system infrastructure, in particular payments systems in the UK and abroad; and (iii) maintaining a broad overview of the financial system through its monetary stability role and the deputy governor’s membership of the FSA’s Board. The Tripartite Authorities work together to achieve stability in the financial markets.

UK Financial Ombudsman Service (FOS)

The FOS provides customers with a free and independent service designed to resolve disputes where the customer is not satisfied with the response received from the regulated firm. The FOS resolves disputes for eligible persons that cover most financial products and services provided in (or from) the UK. The jurisdiction of the FOS extends to include firms conducting activities under the Consumer Credit Act. Although the FOS takes account of relevant regulation and legislation, its guiding principle is to resolve cases on the basis of what is fair and

reasonable; in this regard, the FOS is not bound by law or even its own precedent. The decisions made by the FOS are binding on regulated firms.

The Financial Services Compensation Scheme (FSCS)

The FSCS was established under the FSMA and is the UK's statutory fund of last resort for customers of authorised financial services firms. Companies within the Group are responsible for contributing to compensation schemes in respect of banks and other authorised financial services firms that are unable to meet their obligations to customers. The FSCS can pay compensation to customers if a firm is unable, or likely to be unable, to pay claims against it. The FSCS is funded by levies on firms authorised by the FSA, including companies within the Group.

Lending Standards Board

The Lending Standards Board (formerly the Banking Code Standards Board) is responsible for monitoring and enforcing compliance with the Lending Code introduced on 1 November 2009, which relates to lending to private customers and small businesses.

UK Office of Fair Trading (OFT)

The OFT is the UK's consumer and competition authority. Its regulatory and enforcement powers impact the banking sector in a number of ways, including powers to investigate and prosecute a number of criminal offences under competition and consumer law.

UK Information Commissioner's Office

The UK Information Commissioner's Office is responsible for overseeing implementation of the Data Protection Act 1998. This Act regulates, among other things, the retention and use of data relating to individual customers. The Freedom of Information Act 2000 (the "FOIA") sets out a scheme under which any person can obtain information held by, or on behalf of, a 'public authority' without needing to justify the request. A public authority will not be required to disclose information if certain exemptions set out in the FOIA apply.

Independent Commission on Banking

The Government appointed the ICB to review possible measures to reform the UK banking system and promote stability and competition. The ICB published its final report on 12 September 2011, putting forward recommendations to require ring-fencing of the retail activities of banks from their investment banking activities and additional capital requirements beyond those required under current drafts of the Capital Requirements Directive IV. The ICB's final report also makes recommendations in relation to the competitiveness of the UK banking market, including enhancing the competition remit of the FCA, implementing a new industry-wide current account switching process by September 2013, and improving transparency. The ICB, which following the publication of its final report was disbanded, only had the authority to make recommendations, which the Government could choose to accept or reject. The publication of the ICB's final report and the Government's response to it on 19 December 2011 are significant steps in providing greater clarity on changes to the regulatory framework for the UK banking industry to secure greater financial stability.

The Government has endorsed the ICB's proposals to ring-fence retail banking operations as part of a wider regulatory framework including capital and liquidity and effective macro- and micro-prudential supervision, which should remove any implicit tax-payers' guarantee for the ring-fenced entities. Given that the Group is predominantly a retail and commercial bank, it would expect to be less affected by the implementation of a retail ring-fence, but believes it will be important for any transition period to be flexible in order to minimise any impact on economic growth and for banks to implement the required structural changes.

The ICB also recommended that ring-fenced banks should hold a common equity capital base of at least 10 per cent. to absorb the impact of potential losses or financial crises. The Government's proposals on capital are consistent with the capital targets the Group set in its strategic review in 2011 and, although much work remains to be done on the detail of the implementation of capital requirements, the Group is on track to achieve the capital levels the ICB recommends.

The ICB specifically recommended in relation to the Group's EU mandated branch disposal ("Project Verde"), that, to create a strong challenger in the UK banking market, the entity which results from the divestiture should have a share of the personal current account ("PCA") market of at least 6 per cent. (although this does not need to arise solely from the current accounts acquired from the Company) and a funding position at least as strong as its peers. The ICB did not specify a definitive timeframe for the divested entity to achieve a 6 per cent. market share of PCAs but recommended that a market investigation should be carefully considered by competition authorities if 'a strong and effective challenger' has not resulted from the company's divestiture by 2015. The ICB did not recommend that the Company should increase the size of the Project Verde disposal from that agreed with the European Commission but recommended that the Government prioritise the emergence of a strong new challenger over reducing market concentration through a 'substantially enhanced' divestiture by the Group. As at December 2011, Project Verde incorporated 632 branches and 5.2 million customers with a PCA market share in the UK of approximately 4.6 per cent. A negotiation process is ongoing in relation to the sale of the business. Total customer assets made available for sale amounted to £68.4 billion and total customer liabilities made available for transfer amounted to £31.6 billion. However, subject to certain conditions, buyers can reduce the amount of mortgage lending that they acquire from the Company.

The Government supported the recommendation that an entity with a larger share of the PCA market than the 4.6 per cent. originally proposed might produce a more effective competitor. In relation to the Group's announcement that it was to pursue exclusive negotiations with the Co-Operative Group, the Government commented that such a transaction would deliver a significant enhancement of the PCA market share, with the share divested by the Group combining with the Co-Operative Group's existing share to create a competitor with approximately 7-8 per cent. share of the PCA market. The Government also stated that the execution of the divestment is a commercial matter, and it has no intention of using its shareholding to deliver an enhancement.

The Group continues to play a constructive role in the debate with the Government and other stakeholders on all issues under consideration in relation to the ICB's recommendations. The Group expects the Government to provide further details of its plans in the spring of 2012 and to outline which of the proposals it intends to progress to legislation. The Group will continue to work with HM Treasury and its regulators in the coming months ahead of the publication of the final white paper. *EU Regulation and Regulatory Bodies*

At a European level, the pace of regulatory reform has increased with a number of new directives or changes to existing directives planned in the next twelve months including a revised Markets in Financial Instruments Directive, Transparency Directive, Insurance Mediation Directive, Alternative Investment Fund Managers Directive, Prospectus Directive and a Fifth Undertakings In Collective Investments in Transferable Securities Directive, as well as a proposed Directive regulating Packaged Retail Investment Products.

The UK has implemented all of the directives introduced under the Financial Services Action Plan. However, these directives are regularly reviewed at EU level and could be subject to change. The Group will continue to monitor the progress of these initiatives, provide specialist input on their drafting and assess the likely impact on its business.

The European Banking Authority, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority, as new EU Supervisory Authorities, are likely to have greater influence on regulatory matters across the EU.

Bribery Act

The Bribery Act 2010 came fully into force on 1 July 2011. It enhances previous laws on bribery and is supported by some detailed guidance issued by the Ministry of Justice on the steps a business needs to take to embed 'adequate procedures' to prevent bribery. A company convicted of failing to have 'adequate procedures' to prevent bribery could receive an unlimited fine. *U.S. Operations and Regulation*

In the United States, Lloyds TSB Bank plc maintains a branch in New York and an agency in Miami, licensed by the States of New York and Florida, respectively. Bank of Scotland plc maintains a federally licensed branch in New York and Lloyds Banking Group maintains representative offices in several U.S. cities. The

existence of branch and agency offices in the U.S. subjects Lloyds Banking Group plc and its subsidiaries doing business or conducting activities in the U.S. to oversight by the Federal Reserve Board and limits the nature of the activities in which Lloyds Banking Group plc and its subsidiaries can engage in the U.S. Lloyds TSB Bank's branch and agency offices are subject to extensive federal and state supervision and regulation relating to their operations.

The Group's U.S. broker dealer, Lloyds Securities Inc., is subject to regulation and supervision by the SEC and the Financial Industry Regulatory Authority with respect to its securities activities, including sales methods, trade practices, use and safekeeping of customers' funds and securities, capital structure, recordkeeping, the financing of customers' purchases and the conduct of directors, officers and employees.

On 21 July 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides a broad framework for significant regulatory changes that will extend to almost every area of U.S. financial regulation. The Dodd-Frank Act imposes specific requirements for systemic risk oversight, asset securitisation activities, securities market conduct and oversight, bank capital standards, arrangements for the liquidation of failing systemically significant financial institutions and restrictions to the ability of banking entities to engage in proprietary trading activities and make investments in certain private equity and hedge funds (known as the 'Volcker Rule'). Furthermore, under the so-called swap 'push-out' provisions of the Dodd-Frank Act, the derivatives activities of U.S. banks and U.S. branch offices of foreign banks will be restricted, which may necessitate a restructuring of how the Group conducts its derivatives activities. Entities that are swap dealers, security-based swap dealers, major swap participants or major security-based swap participants will be required to register with the U.S. Securities and Exchange Commission (the "**SEC**") or the U.S. Commodity Futures Trading Commission, or both, and will become subject to the requirements as to capital, margin, business conduct, recordkeeping and other requirements applicable to such entities. The Dodd-Frank Act also grants the SEC discretionary rule-making authority to impose a new fiduciary standard on brokers, dealers and investment advisers, and expands the extraterritorial jurisdiction of U.S. courts over actions brought by the SEC or the United States with respect to violations of the antifraud provisions of the Securities Act 1933, as amended, the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940. The details of these regulations will depend on the final regulations ultimately adopted by various regulatory authorities and many of the provisions of the Dodd-Frank Act require further detailed rulemaking by various U.S. regulators, including the Department of the Treasury, the Federal Reserve Board, the SEC, the Commodity Futures Trading Commission and the newly created Financial Stability Oversight Council, a substantial portion of which remains to be completed. The impact of the Dodd-Frank Act and its implementing regulations on the Group's U.S. operations will depend on the final regulations ultimately adopted by various U.S. regulatory authorities.

A major focus of U.S. governmental policy relating to financial institutions in recent years has been combating money laundering and terrorist financing and enforcing compliance with U.S. economic sanctions, with serious legal and reputational consequences for any failures arising in these areas. The Group engages, or has engaged, in a limited amount of business with counterparties in certain countries which the U.S. State Department currently designates as state sponsors of terrorism, including Iran, Syria, Cuba, and Sudan. The Group continues to reduce its outstanding exposures to such states which have arisen through historical business activity. In accordance with this, the Group intends to engage only in new business in such jurisdictions only in very limited circumstances where the Group is satisfied concerning legal, compliance and reputational issues.

At 31 December 2011, the Group does not believe the Group's business activities relating to countries designated as state sponsors of terrorism were material to its overall business.

The Group estimates that the value of the Group's business in respect of such states represented less than 0.01 per cent. of the Group's total assets and, for the year ended 31 December 2011, the Group believes that the Group's revenues from all activities relating to such states were less than 0.004 per cent. of its total income net of insurance claims. This information has been compiled from various sources within the Group, including information manually collected from relevant business units, and this has necessarily involved some degree of estimate and judgement.

For more information, see "Risk Factors – Regulatory risks (including risks arising from failing to comply with the applicable laws, regulations and codes)".

Legal Actions and Regulatory Matters

During the ordinary course of business the Group is subject to threatened or actual legal proceedings and regulatory challenge both in the UK and overseas.

Interchange Fees

The European Commission has adopted a formal decision finding that an infringement of European Commission competition laws has arisen from arrangements whereby MasterCard set a uniform Multilateral Interchange Fee (the "MIF") in respect of cross border transactions in relation to the use of a MasterCard or Maestro branded payment card. The European Commission has required that the MIF be reduced to zero for relevant cross-border transactions within the European Economic Area. This decision has been appealed to the General Court of the European Union (the "General Court"). Lloyds TSB Bank plc and Bank of Scotland plc (along with certain other MasterCard issuers) have successfully applied to intervene in the appeal in support of MasterCard's position that the arrangements for the charging of the MIF are compatible with European Union competition laws. The UK Government has also intervened in the General Court appeal supporting the European Commission position. An oral hearing took place on 8 July 2011 and the judgment is expected on 24 May 2012. MasterCard has reached an understanding with the European Commission on a new methodology for calculating intra European Economic Area MIF on an interim basis pending the outcome of the appeal. Meanwhile, the European Commission is pursuing an investigation with a view to deciding whether arrangements adopted by Visa for the levying of the MIF in respect of cross-border payment transactions also infringe European Union competition laws. In this regard, Visa reached an agreement with the European Commission to reduce the level of interchange for cross-border debit card transactions to the interim levels agreed by MasterCard. The OFT has also commenced similar investigations relating to the MIF in respect of domestic transactions in relation to both the MasterCard and Visa payment schemes. The ultimate impact of the investigations on the Group can only be known at the conclusion of these investigations and any relevant appeal proceedings.

Payment Protection Insurance

There has been extensive scrutiny of the Payment Protection Insurance ("PPI") market in recent years.

In October 2010, the UK Competition Commission (the "Competition Commission") confirmed its decision to prohibit the active sale of PPI by a distributor to a customer within seven days of a sale of credit. This followed the completion of its formal investigation into the supply of PPI services (other than store card PPI) to non-business customers in the UK in January 2009 and a referral of the proposed prohibition to the Competition Appeal Tribunal. The Competition Commission consulted on the wording of a draft order to implement its findings from October 2010, and published the final Order on 24 March 2011, which became effective on 6 April 2011. Following an earlier decision to stop selling single premium PPI products, the Group ceased to offer PPI products to its customers in July 2010.

On 29 September 2009 the FSA announced that several firms had agreed to carry out reviews of past sales of single premium loan protection insurance. Lloyds Banking Group agreed in principle that it would undertake a review in relation to sales of single premium loan protection insurance made through its branch network since 1 July 2007. That review now forms part of the ongoing PPI work referred to below. On 1 July 2008, the FOS referred concerns regarding the handling of PPI complaints to the FSA as an issue of wider implication. On 29 September 2009 and 9 March 2010, the FSA issued consultation papers on PPI complaints handling. The FSA published its Policy Statement on 10 August 2010, setting out evidential provisions and guidance on the fair

assessment of a complaint and the calculation of redress, as well as a requirement for firms to reassess historically rejected complaints which had to be implemented by 1 December 2010.

On 8 October 2010, the British Bankers' Association (the "BBA"), the principal trade association for the UK banking and financial services sector, filed an application for permission to seek judicial review against the FSA and the FOS. The BBA sought an order quashing the FSA Policy Statement and an order quashing the decision of the FOS to determine PPI sales in accordance with the guidance published on its website in November 2008.

The Judicial Review hearing was held in late January 2011 and on 20 April 2011 judgment was handed down by the High Court dismissing the BBA's application. On 9 May 2011, the BBA confirmed that the banks and the BBA did not intend to appeal the judgment.

After publication of the judgment, the Group entered into discussions with the FSA with a view to seeking clarity around the detailed implementation of the Policy Statement. As a result, and given the initial analysis that the Group has conducted of compliance with applicable sales standards which is continuing, the Group concluded that there are certain circumstances where customer contact and/or redress will be appropriate. Accordingly the Group made a provision in the Company's 2011 Annual Report of £3,200 million in respect of the anticipated costs of such contact and/or redress, including administration expenses. During 2011, the Group made redress payments of £1,045 million to customers. However, there are still a number of uncertainties as to the eventual costs from any such contact and/or redress given the inherent difficulties of assessing the impact of the detailed implementation of the Policy Statement for all PPI complaints, uncertainties around the ultimate emergence period for complaints, the availability of supporting evidence and the activities of claims management companies, all of which will significantly affect complaints volumes, uphold rates and redress costs.

Interbank Offered Rate Setting Investigations

Several government agencies in the UK, U.S. and overseas, including the U.S. Commodity Futures Trading Commission, the SEC, the U.S. Department of Justice and the FSA, as well as the European Commission, are conducting investigations into submissions made by panel members to the bodies that set various interbank offered rates. The Company and certain of its subsidiaries, were (at the relevant time) and remain members of various panels that submit data to these bodies in a number of jurisdictions. The Group has received requests from some government agencies for information and is co-operating with their investigations. In addition, the Group has been named in private purported class action suits in the U.S. with regard to the setting of London interbank offered rates ("LIBOR"). It is currently not possible to predict the scope and ultimate outcome of the various regulatory investigations or private lawsuits, including the timing and scale of the potential impact of any investigations and lawsuits on the Group.

Litigation in relation to insurance branch business in Germany

Clerical Medical Investment Group Limited ("CMIG") has received a number of claims in the German courts, relating to policies issued by CMIG but sold by independent intermediaries in Germany, principally during the late 1990s and early 2000s. CMIG has won the majority of decisions to date, although a number of regional district and appeal courts have found against CMIG on specific grounds. CMIG's strategy includes defending claims robustly and appealing against adverse judgments. The ultimate financial effect, which could be significant, will only be known once all relevant claims have been resolved. However, consistent with this strategy, and having regard to the costs involved in managing these claims, and the inherent risks of litigation, the Group has recognised a provision of £175 million in the Company's 2011 Annual Report. Management believes this represents the most appropriate estimate of the financial impact, based upon a series of assumptions, including the number of claims received, the proportion upheld, and resulting legal and administration costs.

Shareholder complaints

The Group and two former members of the Group's Board of Directors have been named as defendants in a purported securities class action pending in the United States District Court for the Southern District of New York. The complaint, dated 23 November 2011, asserts claims under the Securities Exchange Act of 1934 in connection

with alleged material omissions from statements made in 2008 in connection with the Acquisition. No quantum is specified.

In addition, a UK-based shareholder action group has threatened multi-claimant claims on a similar basis against the Group and two former directors in the UK. No claim has yet been issued.

The Group considers that the claims are without merit and will defend them vigorously. The claims have not been quantified and it is not possible to estimate the ultimate financial impact on the Group at this early stage.

Employee disputes

The Group is aware that a union representing a number of the Group's employees is seeking to challenge the cap on pensionable pay introduced by the Group in 2011 on the grounds that it is unlawful. This challenge is at a very early stage. The Group will resist the challenge should it be pursued.

The Group also faces a number of other threats of legal action from employees in relation to terms of employment including pay and bonuses. The Group considers that the complaints are without merit and, should proceedings be issued, they will be vigorously defended. It is not possible to estimate the ultimate financial impact on the Group at this stage.

FSA investigation into Bank of Scotland

In 2009 the FSA commenced a supervisory review into HBOS. The supervisory review was superseded when the FSA commenced an enforcement investigation into Bank of Scotland plc in relation to its Corporate Division between 2006 and 2008. These proceedings have now concluded. The FSA published its Final Notice on 9 March 2012. No financial penalty has been imposed on the Group or Bank of Scotland plc.

Regulatory Matters

In the course of its business, the Group is engaged in discussions with the FSA in relation to a range of conduct of business matters including complaints handling, packaged bank accounts, savings accounts, product terms and conditions, interest only mortgages, sales processes and remuneration schemes. The Group is keen to ensure that any regulatory concerns are understood and addressed. The ultimate impact on the Group of these discussions can only be known at the conclusion of such discussions.

Other Legal Actions and Regulatory Matters

In addition, during the ordinary course of business the Group is subject to other threatened and actual legal proceedings (which may include class action lawsuits brought on behalf of customers, shareholders or other third parties), regulatory investigations, regulatory challenges and enforcement actions, both in the UK and overseas. All such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Group incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established to management's best estimate of the amount required to settle the obligation at the relevant balance sheet date. In some cases it will not be possible to form a view, either because the facts are unclear or because further time is needed to assess properly the merits of the case and no provisions are held against such matters. However, the Group does not currently expect the final outcome of any such matter to have a material adverse effect on its financial position.

Major Shareholders and Related Party Transactions

Major Shareholders

As at 23 March 2012, the Solicitor for the Affairs of Her Majesty's Treasury had a direct interest of approximately 39.8 per cent. (27,608,563,642 ordinary shares) in the Company's issued share capital with rights to vote in all circumstances at general meetings. No other notification has been received that anyone has an interest of 3 per cent. or more in the Company's issued ordinary share capital. Further information on The Solicitor for the Affairs of Her Majesty's Treasury's shareholding in the Company is provided above under "– History and development of Lloyds Banking Group" and below under "– Information about Lloyds Banking Group's relationship with the UK Government".

All shareholders within a class of the Company's shares have the same voting rights.

Related Party Transactions

The Group, as at 31 December 2011, had related party transactions with 24 key management personnel and certain of its pension funds, OEICs and joint ventures and associates. See note 53 to the consolidated financial statements of the Company for the financial year ended 31 December 2011. In addition, material contracts with HM Treasury are described below under “– Information about Lloyds Banking Group's relationship with the UK Government”. From 1 January 2011, in accordance with IAS 24 (Revised), UK Government-controlled entities became related parties of the Group. The Group regards the Bank of England and entities controlled by the UK Government, including The Royal Bank of Scotland Group plc, Northern Rock (Asset Management) plc and Bradford & Bingley plc, as related parties.

Except as described below under “– Information about Lloyds Banking Group's relationship with the UK Government”, there are no transactions to which the Group is a party involving the UK Government or any body controlled by the UK Government which are material to the Group or, to the Group's knowledge, to the UK Government or any UK Government controlled body, that were not made in the ordinary course of business, or that are unusual in their nature or conditions. However, considering the nature and scope of the bodies controlled by the UK Government, it may be difficult for the Group to know whether a transaction is material for such a body.

To the best of the Group's knowledge, any outstanding loans made by the Group to or for the benefit of the UK Government, any body controlled by the UK Government or other related parties, were made (1) in the ordinary course of business, (2) on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other persons, (3) did not involve more than the normal risk of collectability or present other unfavourable features, and (4) were made on arm's length basis.

The Group also engages in numerous transactions on arm's length commercial terms in the ordinary course of its business with the Government and its various departments and agencies, as well as with other companies in which the Government has invested. This includes financings, lending, banking, asset management and other transactions with UK financial institutions in which the Government has invested. During 2010 and 2011 the Group made use of these measures in order to maintain and improve a stable funding position.

Information about Lloyds Banking Group's Relationship with the UK Government

HM Treasury Shareholding

As at 23 March 2012, the Solicitor for the Affairs of Her Majesty's Treasury (as nominee for HM Treasury) had a direct interest of approximately 39.8 per cent. in the Company's issued share capital with rights to vote in all circumstances at general meetings.

HM Treasury's shareholding in the Company is currently managed by UKFI on behalf of HM Treasury. This relationship falls within the scope of the revised framework document between HM Treasury and UKFI published on 1 October 2010 – for more information see “Risk Factors – Government related risks – The Commissioners of Her Majesty's Treasury (“**HM Treasury**”) is the largest shareholder of the Company. Through its shareholding in, and other relationships with, the Company, HM Treasury is in a position to exert significant influence over the Group and its business.”.

The goals of the framework document are consistent with the stated public policy aims of HM Treasury, as articulated in a variety of public announcements (as at 6 May 2011). In the publication “An Introduction: Who We Are, What We Do and the Framework Document Which Governs the Relationship Between UKFI and HM Treasury”, it is stated that UKFI is to “develop and execute an investment strategy for disposing of the investments in the banks in an orderly and active way through sale, redemption, buy-back or other means within the context of an overarching objective of protecting and creating value for the taxpayer as shareholder, paying due regard to the maintenance of financial stability and to acting in a way that promotes competition”. It further states that UKFI will manage the shareholdings of UK financial institutions in which HM Treasury holds an interest ‘on a

commercial basis and will not intervene in day-to-day management decisions of the Investee Companies (as defined therein) (including with respect to individual lending or remuneration decisions)'.

HM Treasury's shareholding in the Company is a consequence of its subscription for equity securities of the Company and of HBOS (prior to the Acquisition) in the 2008 placing and open offer and preference share subscription, the concomitant placing and open offer by HBOS, the 2009 placing and open offer and the Company's 2009 Rights Issue.

The Company and HM Treasury in January 2009 entered into a registration rights agreement granting customary demand and 'piggyback' registration rights in the United States under the United States Securities Act 1933, as amended to HM Treasury with respect to any ordinary shares of the Group held by HM Treasury. The agreement was amended in June 2009 to include as registrable securities the new shares subscribed for by HM Treasury in the 2009 placing and open offer, any other securities in the Company called by HM Treasury to be issued by any person and any securities issued by HM Treasury which are exchangeable for, convertible into, give rights over or are referable to any such securities.

The Company also in June 2009 entered into a resale rights agreement with HM Treasury in which it agreed to provide its assistance to HM Treasury in connection with any proposed sale by HM Treasury of ordinary shares, other securities held by HM Treasury in the Company or any securities of any description caused by HM Treasury to be issued by any person which are exchangeable for, convertible into, give rights over or are referable to such ordinary shares or other securities issued by the Group, to be sold in such jurisdictions (other than the United States) and in such manner as HM Treasury may determine.

Other Related Party Transactions with the UK Government

Government and central bank facilities

During the year ended 31 December 2011, the Group participated in a number of schemes operated by the UK Government and central banks made available to eligible banks and building societies.

Special Liquidity Scheme and Credit Guarantee Scheme

The Bank of England's UK Special Liquidity Scheme was launched in April 2008 to allow financial institutions to swap temporarily illiquid assets for treasury bills, with fees charged based on the spread between 3-month LIBOR and the 3-month gilt repo rate. The scheme will operate for up to three years after the end of the drawdown period (30 January 2009) at the Bank of England's discretion. As at 31 December 2011, the Group did not utilise the Special Liquidity Scheme.

HM Treasury launched the Credit Guarantee Scheme in October 2008 as part of a range of measures announced by the UK Government intended to ease the turbulence in the UK banking system. It charged a commercial fee for the guarantee of new short and medium term debt issuance. The fee payable to HM Treasury on guaranteed issues was based on a per annum rate of 50 basis points plus the median five-year credit default swap spread. The drawdown window for the Credit Guarantee Scheme closed for new issuance at the end of February 2010. At 31 December 2011, the Group had £23.5 billion of debt in issue under the Credit Guarantee Scheme (31 December 2010: £45.4 billion). During the year, fees of £28 million paid to HM Treasury in respect of guaranteed funding were included in the Group's income statement.

Lending Commitments

In February 2011, the Company (together with Barclays, RBS, HSBC and Santander) announced, as a part of the 'Project Merlin' agreement with HM Treasury, its capacity and willingness to increase gross business lending (including to small and medium-sized enterprises) during 2011. The Company fully delivered its share of this agreed lending. The Company has made a unilateral lending pledge for 2012 as part of its publicly announced SME Charter. For more information on 'Project Merlin' see "Risk Factors – Government related risks".

Big Society Capital

In January 2012 the Group agreed to commit up to £50 million of equity investment into the Big Society Capital Fund. The Fund, which was created as part of the Project Merlin arrangements, will be a UK social investment fund.

Business Growth Fund

In May 2011 the Group agreed, together with The Royal Bank of Scotland plc (and three other non-related parties), to subscribe for shares in the Business Growth Fund plc, the company created to fulfil the role of the Business Growth Fund as set out in the British Bankers' Association's Business Taskforce Report of October 2010. During 2011, the Group incurred sunk costs of £4 million which have been written off. As at 31 December 2011, the Group's investment in the Business Growth Fund was £20 million.

GAPS Withdrawal Deed

In November 2009, following its withdrawal from its proposed participation in GAPS, the Company entered into the GAPS Withdrawal Deed with HM Treasury pursuant to which, among other matters, the Company paid HM Treasury £2,500 million in recognition of the benefits to the Group's trading operations arising as a result of HM Treasury proposing to make GAPS available to the Group and, in addition, reimbursed HM Treasury various costs.

The GAPS Withdrawal Deed contained certain undertakings given by the Group to HM Treasury in connection with the state aid approval obtained from the European Commission (on which see the sub-section entitled "State Aid" below) and its withdrawal from its proposed participation in GAPS. In particular, the Group is required to do all acts and things necessary to ensure the UK Government's compliance with its obligations under the European Commission decision approving state aid to the Group. This undertaking includes an obligation to: (i) comply with the restructuring measures that the Group agreed to undertake; (ii) comply with the terms of the Restructuring Plan; and (iii) provide certain information to HM Treasury and do such acts as are necessary to enable compliance with the state aid approval to be monitored.

The GAPS Withdrawal Deed also provides for the Group's restructuring obligations to be modified in certain limited circumstances (without prejudice to any challenge to such state modifications). However, HM Treasury has undertaken that it will not, without the consent of the Company, agree modifications to the Group's undertakings with respect to state aid which are significantly more onerous to the Company than those granted in order to obtain the state aid approval.

It was also agreed that if the European Commission adopted a decision that the United Kingdom must recover any state aid, the Group would repay all such state aid (subject to the Group's right to challenge any such decision in the European courts).

The GAPS Withdrawal Deed included a number of other commitments given by the Company to HM Treasury. The Company, among other things:

- (i) acknowledged its commitment to the principle that it should be at the leading edge of implementing the G20 principles, the FSA Code on remuneration and any remuneration provisions accepted by the Government from the Walker Review, provided that this principle shall always be applied in such a way as to allow the Company to operate on a level playing field with its competitors;
- (ii) reaffirmed its lending commitments;
- (iii) agreed to implement a (now published) customer charter for lending to businesses;
- (iv) committed:
 - (a) to ensure that its public financial statements comply with best industry practice; and
 - (b) to enter into discussions with HM Treasury with a view to ensuring that such public financial statements: (A) enable investors to assess the quality of the assets and liabilities of banking institutions, the financial position and performance of banking institutions and the nature and

extent of risks arising from financial instruments to which banking institutions are exposed; and (B) are comparable as between similar banking institutions;

- (v) agreed to develop with the FSA, and implement, a medium term funding plan aimed at reducing dependence on short term funding to be regularly reviewed by the FSA and other members of the Tripartite Authorities; and
- (vi) agreed to implement any measures relating to personal current accounts agreed between the OFT and the UK banking industry: (i) as detailed in the OFT's report "Personal current accounts in the UK – a follow up report, October 2009" and (ii) relating to fees and charges, and the terms and conditions of personal current accounts where any such measures are within the scope of current negotiations with respect thereto.

State Aid

As part of the European Commission's decision approving state aid to the Group, the Group was required to submit the Restructuring Plan to the European Commission in the context of a state aid review. The plan was required to support the long-term viability of the Group and remedy any distortion of competition and trade in the European Union arising from the state aid received by the Group. The College of Commissioners announced its formal approval of the state aid on 18 November 2009 and concluded that the Restructuring Plan was appropriate to achieve the aforementioned aims.

The Restructuring Plan consists of the following principal elements: (i) the disposal of a retail banking business with at least 600 branches, a 4.6 per cent. share of the personal current accounts market in the UK and up to 19.2 per cent. of Lloyds Banking Group's mortgage assets; (ii) an asset reduction programme to achieve £181 billion reduction in certain parts of its balance sheet by the end of 2014; and (iii) behavioural commitments, including commitments which restrict the Group's ability to make certain acquisitions for approximately three to four years and not to make discretionary payments of coupons or to exercise voluntary call options on hybrid securities from 31 January 2010 until 31 January 2012, which prevented Lloyds Banking Group from paying dividends on its ordinary shares for the same duration. Since 31 January 2012, the Group has made payments of coupons (including cumulative coupons deferred during this two year period) on certain hybrid securities. Future coupons and dividends on its hybrid securities will be paid subject to, and in accordance with, the terms of those securities.

The retail banking business referred to in (i) above is to be disposed of before the end of November 2013 and consists of the TSB brand, the branches, savings accounts and branch-based mortgages of Cheltenham & Gloucester, the branches and branch-based customers of Lloyds TSB Scotland and a related banking licence, additional Lloyds TSB branches in England and Wales, with branch-based customers and Intelligent Finance.

The Group continues to work closely with the European Commission, HM Treasury and the Monitoring Trustee appointed by the European Commission to ensure the implementation of the Restructuring Plan. In June 2011 the Group issued an information memorandum to potential bidders for the retail banking business, which the European Commission confirmed met the requirements to commence the formal sale process for the sale no later than 30 November 2011. In December 2011 the Group announced that, having reviewed the formal offers made, its preferred option was for a direct sale and that it was entering exclusive discussions with the Co-operative Group. The Group expects to be in a position to update shareholders on progress during the second quarter of 2012, at which time, if appropriate, it will provide further details on the proposed transaction. The Group is also continuing to progress an alternative disposal option of an Initial Public Offering (IPO) in parallel.

Other Relationships with the UK Government

The Group, in common with other financial institutions, is also working closely with a number of Government departments and agencies on various industry-wide initiatives that are intended to support the Government's objective of economic recovery and greater stability in the wider financial system.

For more detail on industry-wide initiatives see "- Business Growth Fund" and "- Big Society Capital" above.

Liquidity Management

Long-Term Refinancing Operation

On 29 February 2012, the European Central Bank (the “ECB”) made available to the European banking sector its second Long-Term Refinancing Operation (the “LTRO”). The Group has drawn £11.4 billion under the LTRO for an initial term of three years. Any further use of the LTRO and/or other open market operations of central banks will be based on prudent liquidity management.

Directors of the Bank

The directors of the Bank, the business address of each of whom is 25 Gresham Street, London EC2V 7HN, England, and their respective principal outside activities, where significant to the Bank, are as follows:

Name	Principal outside activities
Sir Winfried Bischoff Chairman	A non-executive director of Eli Lilly and Company, and The McGraw-Hill Companies Inc. in the United States. A member of the Akbank International Advisory Board and Chairman of the Advisory Council of TheCityUK.
Executive directors	
António Horta-Osório Group Chief Executive	A non-executive director of Fundação Champalimaud in Portugal.
Non-executive directors	
Anita Frew	Chairman of Victrex Plc. Senior non-executive director of Aberdeen Asset Management Plc and Non-Executive director of IMI Plc.
Sir Julian Horn-Smith (until 17 May 2012)	A non-executive director of Acer Incorporated (Taiwan), De La Rue, Digicel Group and Emobile (Japan), a director of Sky Malta, a member of the Altimio International advisory board and a senior adviser to UBS and CVC Capital Partners in relation to the global telecommunications sector. Deputy chairman of BUMI plc. Pro Chancellor of the University of Bath.
Glen R. Moreno Senior Independent Director (until 17 May 2012) (Deputy Chairman from 1 March 2012 to 17 May 2012)	Chairman of Pearson and a non-executive director of Fidelity International. Deputy chairman of the Financial Reporting Council.
David Roberts (Deputy Chairman from 17 May 2012)	Non-executive chairman of The Mind Gym and a non-executive director of Campion Willcocks.
T. Timothy Ryan Jr	President and chief executive of the Securities Industry and Financial Markets Association. A director of the U.S.-Japan Foundation, Great-West Life Insurance Co., Power Corporation of Canada, Power Financial Corporation and a member of the Global Markets Advisory Committee for the National Intelligence Council.
Martin A. Scicluna	Chairman of Great Portland Estates. A governor of Berkhamsted School.

Anthony Watson CBE
(Senior Independent Director from 17 May 2012)

A non-executive director of Hammerson, Vodafone and Witan Investment Trust. A member of the Norges Bank Investment Advisory Board. Chairman of Lincoln's Inn investment committee.

Sara Weller

Non-executive director of United Utilities Group plc.

* George Culmer will join the Board as Group Finance Director on 16 May 2012.

None of the directors of the Bank have any actual or potential conflict between their duties to the Bank and their private interests or other duties as listed above.

TAXATION

The following comments are of a general nature, are based on the Bank's understanding of current law and practice and are included in this document solely for information purposes. These comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of a Security will depend for each issue on the terms of the Security, as specified in the Product Conditions as amended and supplemented by the relevant Final Terms under the law and practice at the relevant time. Prospective holders of Securities should consult their own tax advisers in all relevant jurisdictions to obtain advice about their particular tax treatment in relation to such Securities. In particular, no representation is made as to the manner in which payments under the Securities would be characterised by any relevant taxing authority.

United Kingdom Taxation

The comments below are of a general nature based on certain aspects of current United Kingdom tax law as applied in England and Wales and HM Revenue and Customs ("HMRC") practice (which may not be binding on HMRC) and are not intended to be exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Notes, Receipts, Coupons, Warrants and Redeemable Certificates and may not apply to certain classes of persons such as dealers, certain professional investors, or persons connected with the Bank. The United Kingdom tax treatment of prospective Noteholders, Warrantholders or Redeemable Certificateholders depends on their individual circumstances and may be subject to change in the future. Any Noteholders, Warrantholders or Certificateholders who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

1 Notes (including Receipts and Coupons relating to those Notes)

Withholding Tax on Payments of Interest

(A) Exemption for interest payments in respect of Notes listed on a recognised stock exchange

Where the Notes are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007 ("ITA 2007"), payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax. The London Stock Exchange is a recognised stock exchange for the purposes of section 1005 of ITA 2007. Securities will be treated as listed on the London Stock Exchange if they are admitted to the Official List (within the meaning of and in accordance with the provisions of Part VI of the Financial Services and Markets Act 2000) by the United Kingdom Listing Authority and admitted to trading on the London Stock Exchange.

(B) Exemption for interest payments made in the ordinary course of the Bank's business

In addition (regardless of whether or not the Notes are listed on a recognised stock exchange described above), the Bank, provided that it continues to be a bank within the meaning of section 991 of ITA 2007, and provided that the interest on the Notes is paid in the ordinary course of its business within the meaning of section 878 of ITA 2007, will generally be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax. Interest will not be regarded as being paid in the ordinary course of business where the borrowing relates to the capital structure of the Bank. The borrowing will be regarded as relating to the capital structure of the Bank if it conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the FSA, whether or not the borrowing actually counts towards tier 1, 2 or 3 capital for regulatory purposes.

(C) Exemption for interest payments to certain Noteholders

Interest on the Notes may also generally be paid without withholding or deduction for or on account of United Kingdom tax where at the time interest on the Notes is paid, the Bank reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) either:

- (a) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; or

(b) that the payment is made to one of the bodies or persons set out in sections 935 to 937 of the Act,

provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe 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.

(D) Exemption for interest payments in respect of Notes with a maturity of less than 365 days

Interest on Notes with a maturity date of less than a year after the issue date may generally be paid without withholding or deduction on account of United Kingdom tax provided that the Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for a year or more. HMRC issued a consultation document on 27th March 2012 inviting views on repealing this exemption from the obligation to withhold or deduct for or on the account of United Kingdom income tax.

(E) Withholding in other situations

In all other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any direction to the contrary by HMRC under an applicable double taxation treaty.

Where interest has been paid under deduction of United Kingdom income tax (for example, if the Notes ceased to be listed, the interest is not paid in the ordinary course of the Bank's business, and no other exemption applies), Noteholders who are not resident in the United Kingdom for tax purposes may be able to recover all or part of the tax deducted under an applicable double taxation treaty.

In addition, an amount for or on account of United Kingdom income tax at the basic rate may have to be withheld on payments on Notes where such payments do not constitute interest for United Kingdom tax purposes but instead constitute either annual payments or, in the case of Notes which are capable of physical settlement, manufactured payments for United Kingdom tax purposes, in each case subject to the availability of exemptions or reliefs or subject to any direction to the contrary from HMRC in respect of such relief as may be available under an applicable double taxation treaty.

Disclosure and Exchange of Information

Persons in the United Kingdom paying interest to or receiving interest on behalf of another person may be required to provide certain information to HMRC regarding the identity of the payee or person entitled to the interest. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and other Income) Act 2005 to or receives such amounts for the benefit of an individual. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdictions in which the payee or beneficial owner of the interest or amount payable on redemption is resident for tax purposes. However, in relation to amounts payable on the redemption of such Notes HMRC published practice indicates that HMRC will not exercise its power to obtain information where such amounts are paid or received on or before 5 April 2013.

Prospective holders of Notes are also directed to the disclosure below in respect of the EU Directive on the Taxation of Savings Income.

2 Redeemable Certificates

Withholding Tax

The following analysis applies to Redeemable Certificates which carry a right to the payment of interest, manufactured payments or annual payments and/or are redeemed at a premium, any amount of which is deemed to constitute a payment of interest.

Payments of interest by the Bank on Redeemable Certificates may generally be made without withholding or deduction for or on account of United Kingdom income tax provided that one of the exemptions set out in paragraphs

(A) to (D) in the section above relating to withholding on payments of interest in respect of Notes applies (replacing references to Notes with references to Redeemable Certificates).

Payments of manufactured payments and annual payments by the Bank on Redeemable Certificates may be made without withholding or deduction for or on account of United Kingdom tax if the Redeemable Certificates are derivative contracts the profits and losses arising from which are calculated in accordance with Part 7 of the Corporation Tax Act 2009 or if the exemption set out in paragraph (C) in the section above relating to withholding on payments of interest in respect of Notes applies (replacing references to Notes with references to Redeemable Certificates).

In all other cases, interest, payments which are deemed to be interest, manufactured payments and annual payments may be paid by the Bank under deduction of income tax at the basic rate (currently 20 per cent.) in the case of interest and annual payments and at a rate depending upon the nature of the payment in the case of manufactured payments, in each case, subject to the availability of other reliefs or exemptions or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

Disclosure and Exchange of Information

Prospective holders of Redeemable Certificates are referred to the discussion under the heading “Disclosure and Exchange of Information” in the section above dealing with Notes (replacing references to Notes with references to Redeemable Certificates), and to the disclosure below in respect of the EU Directive on the Taxation of Savings Income.

3 Warrants

Withholding Tax

No United Kingdom income tax should be required to be deducted or withheld from any payments made on the Warrants provided that the Warrants do not carry a right to interest or to other payments which constitute manufactured payments or annual payments for United Kingdom tax purposes. Warrants that carry such a right to interest or to other such payments are generally likely to be treated for United Kingdom withholding tax purposes in a similar way to Redeemable Certificates that carry such a right and, on this basis, holders of such Warrants should refer to the withholding tax summary in respect of Redeemable Certificates set out above.

Disclosure and Exchange of Information

Prospective holders of Warrants are referred to the discussion under the heading “Disclosure and Exchange of Information” in the section above dealing with Notes (replacing references to Notes with references to Warrants), and to the disclosure below in respect of the EU Directive on the Taxation of Savings Income.

4 United Kingdom Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

Depending on the terms and conditions of the relevant Securities (including, but not limited to, whether the Securities are in bearer or registered form or whether they are CREST Securities or CDIs), UK stamp duty or SDRT may be payable on the issue, on the subsequent transfer or settlement of such Securities. Prospective Securityholders should take their own advice from an appropriately qualified professional adviser in this regard. If any such stamp duty or SDRT is expected to arise, then this will generally be disclosed in the Final Terms of such Securities.

5 EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), Member States of the European Union (the “**EU**”) are required to provide to the tax authorities of other Member States details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual or to certain other persons in another Member State of the EU. However, for a transitional period, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments 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 (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A

number of non-EU countries and territories have adopted similar measures. The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

OFFERING AND SALE

Subject to the terms and on the conditions contained in a Dealer Agreement dated 20 April 2012 (as modified and/or supplemented and/or restated as at the date of the issue of the Securities, the “**Dealer Agreement**”) between the Bank, the Dealers (the “**Permanent Dealers**”) and such additional persons that are appointed as dealers in respect of the Programme (and whose appointment has not been terminated), as the case may be, and the Arranger, the Securities will be offered on a continuous basis by the Bank to the Permanent Dealers and any such additional dealers. However, the Bank has reserved the right to sell Securities directly on its own behalf to Dealers that are not Permanent Dealers. The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Securities may also be sold by the Bank through the Dealers, acting as agents of the Bank. The Dealer Agreement also provides for Securities to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Bank may pay each relevant Dealer a commission as agreed between them in respect of Securities subscribed by it. The Bank has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment and update of the Programme.

The Bank has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Securities. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Securities in certain circumstances prior to payment for such Securities being made to the Bank.

1 United States

1.1 Notes and Redeemable Certificates

The Notes, the Redeemable Certificates, and in, certain cases, the Asset Amounts have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws, and trading in the Notes or Redeemable Certificates has not been approved by the United States Securities and Exchange Commission (the “**SEC**”), any state securities commission, the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”), any United States federal or state banking authority or any other United States regulatory authority. Accordingly, the Notes, the Redeemable Certificates, and in, certain cases, the Asset Amounts, may not be offered, sold, pledged, assigned, delivered, redeemed or otherwise transferred at any time within the United States or its possessions or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes and Redeemable Certificates are being offered and sold outside of the United States in reliance on the registration exemption contained in Regulation S. Accordingly, each Dealer has agreed (and each additional dealer named in a set of Final Terms will be required to agree) that it, its affiliates, and any person acting on its or their behalf has not offered or sold and will not at any time offer or sell Notes or Redeemable Certificates, directly or indirectly within the United States or its possessions or to, or for the account or benefit of, any US Person and that it will send to each Dealer, distributor or person receiving a selling concession, fee or other remuneration that purchases Notes or Redeemable Certificates (whether upon original issuance or in any secondary transaction) a written confirmation or other notice substantially to the following effect:

*“The securities covered hereby have not been registered under the US Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons at any time. Terms used above have the meanings given to them by Regulation S under the Securities Act.”*

Neither such Dealer nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Notes and Redeemable Certificates, and such Dealer, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S.

1.2 Warrants

No Warrants of any Series have been, or will be, registered under the Securities Act, or any state securities laws, and trading in the Warrants has not been approved by the SEC, any state securities commission, the United States Commodity Futures Trading Commission under the Commodity Exchange Act, any United States federal or state banking authority or any other United States regulatory authority. The Warrants are only being offered and sold pursuant to the registration exemption contained in Regulation S. No Warrants of any Series, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered within the United States or its possessions or to, or for the account or benefit of, US persons. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a US person will not be recognised. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer of an issue of Warrants has agreed (and each additional dealer named in a set of Final Terms will be required to agree) that it, its affiliates, and any person acting on its or their behalf has not offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Warrants of such Series in the United States or its possessions or to, or for the account or benefit of, any US person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such US person and that it will send to each Dealer, distributor or person receiving a selling concession, fee or other remuneration that purchases Warrants (whether upon original issuance or in any secondary transaction) a written confirmation or other notice substantially to the following effect:

*“The securities covered hereby have not been registered under the US Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons at any time. Terms used above have the meanings given to them by Regulation S under the Securities Act.”*

Any person purchasing Warrants of any Series must agree with the relevant Dealer or the seller of such Securities that (i) it is not located in the United States and was not solicited to purchase the Securities while present in the United States, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Securities of such Series so purchased in the United States or to, or for the account or benefit of, any US person or to others for offer, sale, resale, trade or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any US person, (iii) it is not purchasing any Securities of such Series for the account or benefit of any US person and (iv) it will not make offers, sales, resales, trades, pledges, exercises, redemptions, transfers or deliveries of any Securities of such Series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any US person. Any person exercising a Warrant will be required to represent, inter alia, that it is not a US person, the Security is not being exercised within the United States or on behalf of a US person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a US person in connection with any exercise thereof. See Condition 6 of the Base C&W Conditions.

- 1.3** This Prospectus has been prepared by the Bank for use in connection with the offer and sale of Securities outside the United States and for the listing of Securities on the stock exchange upon which such Securities are listed as specified in the relevant Final Terms, if any. The Bank and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any US person. Distribution of this Prospectus by any non-US person outside the United States to any US person or to any other person within the United States, and those persons, if any, retained to advise such non-US person with respect thereto, is unauthorised, and any disclosure without the prior written consent of the Bank of any of its contents to any such US person or other person within the United States, and those persons, if any, retained to advise such non-US person, is prohibited.
- 1.4** Each issue of Securities shall be subject to such additional United States selling restrictions as the Bank and the relevant Dealer may agree as a term of the issue and purchase of such Securities, which additional selling restrictions shall be set out in the relevant Final Terms.

1.5 In addition, unless the Purchase Information or the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, each Dealer has represented, warranted and agreed in relation to each Tranche of Bearer Notes that:

except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”),

- (i) it has not offered or sold, and during a 40-day restricted period shall not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person; and
- (ii) it has not delivered and shall not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;
- (iii) it has and throughout the restricted period shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iv) if it is a United States person, it is acquiring the Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it shall only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6);
- (v) with respect to each affiliate that acquires from it Bearer Notes for the purpose of offering or selling such Securities during the restricted period, it either (a) repeats and confirms the representations contained in Clauses 3.2.1, 3.2.2 and 3.2.3 on behalf of such affiliate or (b) agrees that it shall obtain from such affiliate for the benefit of the Bank the representations contained in Clauses 3.2.1, 3.2.2 and 3.2.3; and
- (vi) it has not and will not enter into a written contract (apart from a confirmation or other notice of the transaction) for the offer or sale during the restricted period of Bearer Notes with any distributor (within the meaning of U.S. Treasury Regulation §1.163-5(c)(2)(i)(D)(4)(ii) other than its affiliate(s) or another Dealer unless it obtains the representations and agreements contained in this paragraph 3.2 from the person with whom it enters into such written contract.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder, including the D Rules.

1.6 In addition, to the extent that the Purchase Information or the Subscription Agreement relating to one or more Tranches of Bearer Notes specifies that the applicable TEFRA exemption is “C Rules”, under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”), Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented, warranted and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Bearer Notes within the United States or its possessions in connection with their original issuance. Further, in connection with their original issuance of Bearer Notes, it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Bearer Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, including the C Rules.

2 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with

effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (i) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Bank has consented in writing to its use for the purpose of a Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Bank for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Bank 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.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

3 United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if the Bank was not an authorised person, apply to the Bank; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

4 Australia

No prospectus, product disclosure statement or other disclosure document (as defined in the Corporations Act 2001 of Australia (“**Australian Corporations Act**”)) in relation to the Programme or any Securities has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that unless the relevant Final Terms (or a relevant supplement to this Prospectus) otherwise provide, it:

- (a) has not made or invited, and will not make or invite, an offer of the Securities for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Prospectus or any other offering material or advertisement relating to the Securities in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Australian Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” for the purposes of section 761G of the Australian Corporations Act;
- (iii) such action complies with any other applicable laws, regulations and directives in Australia; and
- (iv) such action does not require any document to be lodged with ASIC.

5 Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, 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 has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

6 Singapore

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

7 Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**Securities and Futures Ordinance**”) other than (a) to “professional investors” as defined in the Securities and Futures Ordinance 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
- (ii) 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 purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

8 Republic of Korea

The Securities have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act and its subordinate decrees and regulations (collectively the “**FSCMA**”). The Securities may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law and its subordinate decrees and regulations (collectively, the “**FETL**”). Without prejudice to the foregoing, the number of the Securities offered in Korea or to a resident in Korea shall be less than fifty and, for a period of one year from the Issue Date of the Securities, none of the Securities may be divided resulting in an increased number of the Securities. Furthermore, the Securities may not be resold to Korean residents unless the purchaser of the Securities complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL) in connection with the purchase of the Securities.

9 Belgium

The Securities may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended from time to time, (the “**Prospectus Law**”), save in those circumstances set out in Article 3 §2 of the Prospectus Law.

The offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and this Prospectus or any other offering material relating to the Securities has not been

and will not be approved by, the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers / Autoriteit voor Financiële Diensten en Markten*).

Accordingly, the offering may not be advertised and 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 has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Securities and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

- (a) qualified investors, as defined in Article 10 of the Prospectus Law;
- (b) investors required to invest a minimum of €50,000 (per investor and per transaction) (or, once Belgium has implemented the 2010 PD Amending Directive, €100,000); and
- (c) in any other circumstances set out in Article 3 §2 of the Prospectus Law.

This Prospectus has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the offering of Securities. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

10 People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

11 Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offer will be made to the public in Sweden unless it is in compliance with the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) and any other applicable Swedish law.

12 France

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) Offer to the public in France:

it has only made and will only make an offer of Securities to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* (“AMF”) of the approval of the prospectus relating to those Securities by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC, 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, and ending at the latest on the date which is 12 months after the date of the approval of such prospectus; or

- (b) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus, the relevant Final Terms or any other offering material relating to the Securities and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*) 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*.

13 United Arab Emirates (ex. DIFC)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

14 Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Securities to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the “DFSA”); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

15 Spain

This Prospectus has not been registered with the Spanish Securities Market Regulator (“*Comisión Nacional del Mercado de Valores*”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Securities may only be offered to the public in Spain pursuant to and in compliance with Law 24/1988 and Royal Decree 1310/2005, both as amended, and any regulation issued thereunder.

16 Malta

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (i) it has not issued or caused to be issued and it will not issue or cause to be issued any investment advertisement, as defined in the Investment Services Act (Chapter 370 of the Laws of Malta) (the “ISA”), in relation to the Securities or the offer of Securities, in or from within Malta, except that it may issue or cause to be issued such investment advertisement in or from within Malta if it is issued or its contents have been approved by a licence holder in terms of the ISA or if and to the extent that an exemption from the requirements set out in article 11(1)(b) of the ISA applies under Maltese law; and (ii) if any offer of Securities is made to the public in Malta and/or any advertisement or any other document or information in relation to an offer of Securities or the Securities is issued or caused to be issued in or from Malta, such offer will be made and/or such advertisement, document or information will be so issued or caused to be issued in accordance with Maltese law.

Each Dealer has further represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not issue or cause to be issued any investment advertisement, as defined in the ISA, in relation to the Securities or the offer of Securities, in or from within Malta, unless it is authorised to do so by the Bank.

17 Ireland

Each Dealer has represented, warranted and agreed (and each additional Dealer appointed under the Programme will be required to represent, warrant and agree) that:

- (i) it will not offer, underwrite the issue of, or place, the Securities otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998;
- (ii) it will not offer, underwrite the issue of, or place, the Securities, otherwise than in conformity with the provisions of the Central Banks Acts 1942 to 2011 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;

- (iii) it will not offer, underwrite the issue of, or place, or do anything in Ireland in respect of the Securities otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland;
- (iv) it will not offer, underwrite the issue of, place, or otherwise act in Ireland in respect of the Securities, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland; and
- (v) no Securities will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank of Ireland.

18 Switzerland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except where explicitly permitted by the relevant Final Terms:

- (i) it will not publicly offer, sell or advertise the Securities in or from Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations (“CO”); and
- (ii) to the extent the Securities qualify as structured products within the meaning of the Swiss Collective Investment Schemes Act (the “CISA”), it will not publicly offer, sell or advertise the Securities) in or from Switzerland, as such term is defined or interpreted under the CISA.

The Securities may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland, except in the case of Securities, the Final Terms of which explicitly permit a public offer in Switzerland. Offering or marketing material relating to Securities, the Final Terms of which do not explicitly permit a public offer in Switzerland, may not be publicly distributed or otherwise made publicly available in Switzerland.

The Bank has not applied for a listing of the Securities on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this Prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange.

The Securities do not constitute participations in a collective investment scheme within the meaning of the CISA. Therefore, the Securities are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA (“FINMA”), and investors in the Securities will not benefit from protection under the CISA or supervision by FINMA.

19 General

These selling restrictions may be modified by the agreement of the Bank and the Dealers following a change in a relevant law, regulation or directive. Any such modification and any additional selling restrictions with which any Dealer(s) will be required to comply will be set out in the Final Terms issued in respect of the issue of Securities to which it relates or in a supplement to this Prospectus.

Other than in the United Kingdom, no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Neither the Bank nor the Dealers represent that Securities may at any time lawfully be sold in compliance with any appropriate registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it shall, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Prospectus, any other

offering material or any Final Terms and, that it will, obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws, regulations and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sale or deliveries, and neither the Bank nor any other Dealer shall have responsibility there for the relevant Final Terms.

20 Other Relationships

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Bank or its Affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Bank or its Affiliates. Certain of the Dealers or their Affiliates that have a lending relationship with the Bank routinely hedge their credit exposure to the Bank consistent with their customary risk management policies. Typically, such Dealers and their Affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Bank's securities, including potentially any Securities which may be offered under this Programme. Any such short positions could adversely affect future trading prices of any Securities offered under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

1. Application has been made to the UK Listing Authority for Securities issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Securities to be admitted to trading on the Market. It is expected that each issue of Securities which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued upon submission to the UK Listing Authority and to the London Stock Exchange of the relevant Final Terms and any other information required by the UK Listing Authority or any other relevant authority, subject only (in the case of Securities other than those cleared through CREST) to the issue of a Global Security representing such Securities. The listing of the Programme in respect of Securities is expected to be granted on or about 26 April 2012. Prior to such listing and admission to trading, however, dealings in Securities will be permitted by the London Stock Exchange in accordance with its rules. Unlisted Securities may also be issued under the Programme.

2. The Bank has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment and update of the Programme and the issue and performance of the Securities. The establishment of the Programme was authorised by resolutions of the Chairman's Committee of the Board of Directors of the Bank passed on 24 February 2011 and the update of the Programme and the issue of Securities under it was authorised by resolutions of the Board of Directors of the Bank passed on 23 February 2012.

3. There has been no significant change in the financial or trading position of Lloyds TSB Bank Group since 31 December 2011, the date to which Lloyds TSB Bank Group's last published audited financial information (as set out in the Bank's 2011 Annual Report) was prepared. There has been no material adverse change in the prospects of the Bank since 31 December 2011, the date to which Lloyds TSB Bank Group's last published audited financial information (as set out in the Bank's 2011 Annual Report) was prepared.

4. Save as disclosed in the sub-sections entitled "Interchange Fees", "Payment Protection Insurance", "Interbank Offered Rate Setting Investigations", "Litigation in relation to insurance branch business in Germany", "Shareholder complaints" and "Employee disputes" of the section "Lloyds Banking Group – Legal Actions and Regulatory Matters" on pages 347 to 349 of this Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Bank is aware) during the 12 months preceding the date of this Prospectus, which may have or have had in the recent past, significant effects on the financial position or profitability of the Bank or Lloyds TSB Bank Group.

5. Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). Interests in the Securities may also be held through CREST through the issuance of CDIs representing Underlying Securities. The Common Code and the International Securities Identification Number (ISIN), and (where applicable) the identification number for any other relevant clearing system for each Series of Securities will be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L- 1855 Luxembourg and the address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB. The address of any alternative clearing system will be specified in the relevant Final Terms. The address of CMU Service is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The address of Euroclear Sweden is Euroclear Sweden AB, Box 7822, SE-103 97 Stockholm, Sweden.

CMU Securities have been accepted for clearance through the CMU Service. For persons seeking to hold a beneficial interest in CMU Notes through Euroclear or Clearstream, Luxembourg, such person will hold their interests in an account opened and held by Euroclear or Clearstream, Luxembourg with the CMU Operator.

6. For so long as Securities may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of Lloyds TSB Bank plc, 25 Gresham Street, London EC2V 7HN:

6.1 the Agency Agreement and the form of any Global Security;

- 6.2 the Notes Deed of Covenant;
- 6.3 the C&W Deed of Covenant;
- 6.4 the Memorandum and Articles of Association of the Bank;
- 6.5 the Annual Report and Accounts of the Bank for the two financial years ended 31 December 2010 and 31 December 2011;
- 6.6 each Final Terms (save that Final Terms relating an issue of Securities which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Securities and such holder must produce evidence satisfactory to the Bank and the Fiscal Agent as to its holding of Securities and identity); and
- 6.7 a copy of this Prospectus together with any Supplemental Prospectus or drawdown prospectus.

Unless otherwise stated in the relevant Final Terms, the Bank does not intend to provide post-issuance information in connection with any issue of Securities.

This Prospectus and the Final Terms for Securities that are listed on the Official List and admitted to trading on the Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com.

7. Copies of the latest audited consolidated Report and Accounts of the Bank will be available for inspection at the specified offices of each of the Fiscal Agents during normal business hours, so long as any of the Securities is outstanding.

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors (members of the Institute of Chartered Accountants in England and Wales), have audited, and rendered unqualified audit reports on, the annual consolidated published accounts of the Bank for the two financial years ended 31 December 2011 and 31 December 2010.

8. Standard & Poor's Credit Market Services Europe Limited is expected to rate: long-term obligations of the Bank with a maturity of one year or more "A"; short term unsecured obligations of the Bank with a maturity of less than one year "A-1"; and Securities issued by the Bank pursuant to this Programme will be rated on a case-by-case basis (if at all).

Fitch Ratings Limited is expected to rate Securities issued by the Bank pursuant to this Programme on a case-by-case basis (if at all).

Moody's Investors Service Limited is expected to rate: long-term obligations of the Bank with a maturity of one year or more "A1"; short term unsecured obligations of the Bank with a maturity of less than one year "P-1"(rating under review for downgrade); and Securities issued by the Bank pursuant to this Programme Bank will be rated on a case-by-case basis (if at all).

The credit ratings referred to and included in this Prospectus have been issued by Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and Moody's Investors Service Limited, each of which is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Securities to be issued under the Programme will be rated or unrated. Where Securities are to be rated, such rating will not necessarily be the same as the rating assigned to Securities already issued. Whether or not a rating in relation to any Securities will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

9. No redemption or cancellation of the Securities for taxation reasons, or redemption or cancellation of the Securities in accordance with the Conditions of the Securities will be made by the Bank without such prior consent of, or notification to (and no objection being raised by), the FSA as may for the time being be required therefor.

10. The purpose of the Bank, which is set out in clause 4 of its memorandum of association, includes as its principal objective the carrying on of the business of banking in all its aspects including (but without limitation) the transaction of all financial monetary and other businesses. Pursuant to section 28 of the Companies Act 2006 the clauses of the memorandum of association are treated as provisions of the Bank's articles of association with effect from 1 October 2009.

The Bank's memorandum of association was last amended by special resolution passed on 24 April 1991. The Bank's memorandum of association is available for inspection on the website of the Bank at www.lloydsbankinggroup.com.

11. Dividends paid by the Bank:

2011: £0

2010: £0

2009: £0

2008: £2,294 million

2007: £1,957 million

THE REGISTERED OFFICE OF THE BANK

Lloyds TSB Bank plc
25 Gresham Street
London EC2V 7HN
Tel: +44 20 7626 1500

**FISCAL AGENT, REGISTRAR, PAYING AGENT, TRANSFER AGENT, PRINCIPAL CERTIFICATE AND WARRANT
AGENT AND CALCULATION AGENT**

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

CMU FISCAL AGENT, CMU LODGING AGENT AND ALTERNATIVE CURRENCY CALCULATION AGENT

Citicorp International Limited
9th Floor, Two Harbourfront
22 Tak Fung Street
Hunghom
Kowloon
Hong Kong

DEALERS

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB

BNP PARIBAS
10 Harewood Avenue
London NW1 6AA

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Federal Republic of Germany

Crédit Agricole Corporate and Investment Bank
9 Quai du Président Paul Doumer
92920 Paris La Défense Cedex
France

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ

Daiwa Capital Markets Europe Limited
5 King William Street
London EC4N 7AX

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

DZ BANK AG Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
60265 Frankfurt am Main
Federal Republic of Germany

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB

HSBC Bank plc
8 Canada Square
London E14 5HQ

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ

Lloyds TSB Bank plc
10 Gresham Street
London EC2V 7AE

Mizuho International plc
Bracken House
One Friday Street
London EC4M 9JA

Nomura International plc
Nomura House
1 Angel Lane
London EC4R 3AB

SMBC Nikko Capital Markets Limited
One New Change
London EC4H 9AF

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Federal Republic of Germany

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA

RBC Europe Limited
Riverbank House
2 Swan Lane
London EC4R 3BF

Standard Chartered Bank
One Basinghall Avenue
London EC2V 5DD

UBS Limited
1 Finsbury Avenue
London EC2M 2PP

Wells Fargo Securities International Limited
One Plantation Place
30 Fenchurch Street
London EC3M 3BD

LEGAL ADVISERS

To the Dealers as to English law

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London E1 6AD
England

To the Bank as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
England

AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT