



ICBC STANDARD BANK PLC

(a company incorporated with limited liability under the laws of England and Wales)

U.S.\$3,500,000,000

Note Issuance Programme

ICBC Standard Bank Plc (formerly known as Standard Bank Plc) (the "**Issuer**") may, from time to time as part of a note issuance programme (the "**Programme**"), issue notes (the "**Notes**") on a continuing basis, denominated in US dollars or such other currency as the Issuer shall specify in the applicable final terms to be issued in connection with such Notes (the "**Final Terms**"), subject in each case to compliance with all applicable legal and regulatory requirements. Notes may also be issued under the Programme on terms set out in a prospectus relating to the Notes that incorporates by reference the whole or any part of this Base Prospectus (any such prospectus, a "**Series Prospectus**"). Where there are references to Final Terms in this Base Prospectus, such references shall be deemed to include references to a Series Prospectus when applicable. Subject as set out herein, the maximum aggregate principal amount of all Notes outstanding at any one time will not exceed U.S.\$3,500,000,000 (or its equivalent in other currencies calculated as described herein).

Notes will be issued in one or more series (each a "**Series**"). Each Series shall be all in bearer form or all in registered form and may be issued in one or more tranches (each a "**Tranche**") on different issue dates and on terms otherwise identical (except in relation to interest commencement dates and matters related thereto).

The specific terms of each Series of Notes will be set forth in the Final Terms relating to that Series.

Payments of principal and interest in respect of any Series may be restricted upon the occurrence of any event specified in the Final Terms relating to such Series. These may include, inter alia, to a Credit Event (as each such term is defined in "Terms and Conditions of the Notes") or any other event or circumstance specified in the applicable Final Terms. The terms of any Series may provide that, in any such event, the Issuer shall be entitled to redeem the Notes of such Series in whole but not in part by payment of an amount specified in the applicable Final Terms (which may be less than the outstanding principal amount of such Notes) and/or by delivery of such asset(s) as may be specified in the applicable Final Terms in lieu of any payments of principal and interest (if any) in respect of the Notes — see Terms and Conditions of the Notes, Condition 5.2 herein and the applicable Final Terms. The terms of any such Series may further provide that, upon such payment or delivery in full in accordance with such provisions, all claims in respect of any balance of the Notes of such Series which would, but for the operation of such provisions, have been payable, shall be extinguished.

The Notes will not contain any provision that would oblige the Issuer to gross-up any amounts payable in respect of interest or principal in the event of any withholding or deduction for or on account of taxes levied in any jurisdiction (including the United Kingdom).

The Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange for Notes to be issued under the Programme to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**"). The relevant Final Terms in respect of the issue of any Notes will specify whether or not application has been made for such Notes to be listed on the Irish Stock Exchange and to be admitted to trading on the Main Securities Market or other regulated market for the purposes of Directive 2004/39/EC. This document has been filed with and approved by the Central Bank in its capacity as competent authority in Ireland (the "**Competent Authority**") for the purposes of the Prospectus Directive. The Issuer may in the period of validity of this Base Prospectus, make an application for the Programme to be admitted to trading on a regulated market of the Vienna Stock Exchange.

The Programme is not rated and it is not anticipated that Series of Notes will be rated by independent rating agencies. This Base Prospectus contains references to credit ratings granted by Moody's Investors Services Inc, Standard & Poor's Inc. and Fitch Ratings Limited. Neither Moody's Investors Services Inc. nor Standard & Poor's Inc. is established in the European Union and neither is registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). Fitch Ratings Limited is established in the European Union and is registered under the CRA Regulation.

The issue price and the amount of the relevant Notes to be issued will be determined at the time of the issue based on the prevailing market conditions.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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

The date of this Base Prospectus is 21 May 2015

Replacement of Prior Base Prospectus

This Base Prospectus supersedes and replaces in its entirety the previous Base Prospectus dated 20 August 2013 relating to the Programme. Any Notes issued under the Programme pursuant to this Base Prospectus are issued subject to the provisions herein. This does not affect any Notes issued prior to the date of this Base Prospectus.

Base Prospectus under Prospectus Directive

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

Responsibility for Information in Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notwithstanding the above paragraph or anything else in this Base Prospectus, the Issuer will not accept responsibility for the information given in this Base Prospectus or any relevant Final Terms in relation to offers of Notes made by an offeror not authorised by the Issuer (if any) to make such offers. Generally, each person named as "Dealer" or "Manager" and any party named as a "Distributor" or other "placer" in the Final Terms will be so authorised, but any other party generally will not. Potential purchasers should therefore enquire whether the relevant offeror is so authorised by the Issuer and, if it is not, the potential purchaser should be aware that the Issuer will not be responsible for this Base Prospectus or relevant Final Terms for the purposes of the relevant securities laws in the context of the offer of the Notes to the public. If a potential purchaser is in any doubt about whether it can rely on this Base Prospectus and relevant Final Terms and/or who is responsible for the contents thereof, it should take legal advice.

Refer Only to the Information Provided in this Base Prospectus and any Supplements hereto

No person has been authorised to give any information or to make any representation other than those contained in (or incorporated by reference into) this Base Prospectus (together with any supplements published by the Issuer from time to time) and the relevant Final Terms in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of this Base Prospectus, any supplements hereto nor any Final Terms nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the information contained herein since the date hereof or (if later) the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or (if later) the date upon which this Base 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. Investors should review, *inter alia*, the most recent published financial statements of the Issuer when deciding whether or not to purchase any Notes. Any website mentioned herein does not form part of the Base Prospectus.

Minimum Specified Denomination

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

This Base Prospectus is Not a Recommendation, Invitation or Offer to Purchase the Notes; Investors Must Form Their Own Views on the Merits of an Investment in Notes

Neither this Base Prospectus nor any other information supplied in connection with the Programme (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 Issuer that any recipient of this Base Prospectus, any Final Terms or any other information supplied in connection with the Programme should purchase any Notes. Prospective investors of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Prospective investors should conduct their own investigations and, in deciding whether or not to purchase Notes, should form their own views of the merits of an investment related to the Notes based upon such investigations and not in reliance upon any information given in this document or the applicable Final Terms. In particular, each investor contemplating purchasing any Notes should make its own appraisal of the creditworthiness of the Issuer or other relevant obligor of any obligation to which the Notes may be linked or, as the case may be, of the risks inherent in the Notes relating to any relevant jurisdiction or any governmental authority, in each case as may be relevant to such Notes. If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision. Potential purchasers should determine for themselves the relevance of the information contained in this Base Prospectus as supplemented, updated or revised from time to time and their interest in the purchase of any Notes should be based upon such investigations as they themselves deem necessary. No representation or warranty is made or intended by the Issuer as to the particular legal, tax, accounting or other regulatory treatment of the Notes in any country, state or jurisdiction whatsoever.

General Restriction on Distribution of this Base Prospectus and any Final Terms

The distribution of this Base Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus and any Final Terms come are required by the Issuer to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and include Notes in bearer form that are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of US persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "Selling Restrictions".

Certain Irish Disclaimers and Restrictions

The Issuer is not regulated by the Central Bank of Ireland. The Notes will not have the status of a bank deposit under Irish law and are not within the scope of the Deposit Protection Scheme operated by the Central Bank of Ireland.

Where the Issuer wishes to issue Notes with maturity of less than one year, it shall ensure that it is in full compliance with the notice BSD C 01/02 issued by the Central Bank of Ireland of exemptions granted under Section 8(2) of the Central Bank Act, of Ireland (the "**Central Bank Act**") as amended.

U.S. Notices

The Notes are being offered and sold (i) outside the United States to non-US persons in reliance on Regulation S and (ii) within the United States to "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("**Rule 144A**") pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Prospective investors are hereby notified that sellers of Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act. For a description of certain restrictions on offers and sales of Notes, see "Selling Restrictions" and "Transfer Restrictions".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR

THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT NOR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE INVESTOR, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available Information

The Issuer has agreed that, for so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934 (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective investor of such restricted securities designated by such holder or beneficial owner, in each case upon the request of such holder, beneficial owner or prospective investor, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

Stabilisation

In connection with the issue of any Tranche (as defined in "Terms and Conditions of the Notes"), 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 applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche 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 person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Forward-Looking Statements

This Base Prospectus includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Base Prospectus. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Currency Abbreviations

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**US dollars**" and "**U.S.\$**" are to United States dollars, references to "**euro**" and "**€**" are to the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and references to "**£**" and "**sterling**" are to the lawful currency of the United Kingdom.

THE TERMS AND CONDITIONS OF SOME NOTES WILL PROVIDE THAT THE AMOUNT REPAYABLE ON MATURITY MAY BE LESS THAN THE ORIGINAL INVESTED AMOUNT (AND IN SOME CASES MAY BE ZERO), IN WHICH CASE INVESTORS MAY LOSE SOME OR ALL OF THEIR ORIGINAL INVESTMENT.

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OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Series of Notes, the applicable Final Terms. Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this overview.

Issuer	ICBC Standard Bank Plc (formerly known as Standard Bank Plc)
Description	Note Issuance Programme.
Size	Up to U.S.\$3,500,000,000 (and, for this purpose, any Notes denominated in another currency shall be translated into US dollars at the exchange rate, as determined by the Issuer, for the purchase of US dollars for such other currency on the date of the issue of such Notes) in the aggregate principal amount of Notes outstanding at any one time. The amount of the Programme may be increased by the Issuer from time to time and, in each such case, a supplemental prospectus will be published.
Irish Paying Agent	Deutsche International Corporate Services (Ireland) Limited.
Form of Notes	The Notes may be issued as bearer Notes (" Bearer Notes "), either in definitive form (" Definitive Notes "), or represented by one or more global Notes (" Global Notes "). Notes may alternatively be issued in registered form (" Registered Notes ") and represented by either individual certificates or one or more global certificates (together, the " Certificates "). Registered Notes which are sold in an "offshore transaction" within the meaning of Regulation S (the " Unrestricted Notes ") will be represented initially by a registered global certificate (an " Unrestricted Global Certificate "). Registered Notes which are sold in the United States to "qualified institutional buyers" within the meaning of Rule 144A (the " Restricted Notes ") will be represented initially by a separate registered global certificate (a " Restricted Global Certificate " and, together with the Unrestricted Global Certificate, the " Global Certificates ").
Currencies	Subject to any applicable legal or regulatory restrictions, Notes may be issued in US dollars, or any other currency as may be specified by the Issuer in the applicable Final Terms.
Method of Issue of Notes	The Notes will be issued on a non syndicated basis. The Notes will be issued in series (each a " Series "). The Notes of each Series will be subject to identical terms, whether as to currency, interest, maturity or otherwise, other than in respect of the Issue Date or the Interest Commencement Date and the Issue Price (all as indicated in the applicable Final Terms.)
Maturities	Such maturity or maturities as may be specified in the applicable Final Terms subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) and/or any laws or regulations applicable to the

	Issuer or the Currency of Issue.
Issue Price	The Notes will be issued on a fully-paid basis and at an issue price which is at par or at a discount or a premium to par.
Underlying	The Notes may be linked to the performance of a Reference Entity, share or specified currency.
Interest Rates	The Notes may or may not be interest-bearing. Interest on interest-bearing Notes may be at a fixed or floating rate or calculated by reference to a variable and may vary during the tenor of the relevant Series.
Variable Linked Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Variable Linked Notes will be calculated by reference to the value of a particular security, or such securities or other variable, currency exchange rate and/or formula as specified in the Conditions and as the Issuer may complete in the applicable Final Terms.
Fixed Rate Notes	Fixed interest will be payable in arrears on the date or dates in each year specified in the applicable Final Terms.
Floating Rate Notes	<p>Floating Rate Notes will bear interest determined (separately for each Series) in one of the following ways:</p> <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc; (ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin; or (iii) by reference to such rate as may be selected from Part 2 of the Rate Option Annex.
Interest Period and Rates of Interest	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the Conditions as completed by the relevant Final Terms.
Zero Coupon Notes	Zero Coupon Notes will not bear interest other than in the case of late payment.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as shall be indicated in the applicable Final Terms.

Terms and Conditions

The Notes of each Series are subject to the "Terms and Conditions of the Notes", as completed by the applicable Final Terms.

Early Redemption

Subject always to the occurrence of a Specified Event (if applicable) and the satisfaction of any conditions specified as applicable in the relevant Final Terms, the Final Terms relating to each Series of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than, at the Issuer's option, for taxation reasons) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving irrevocable notice (the notice period (if any) being indicated in the Conditions or the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the Conditions and as completed by the applicable Final Terms. See Condition 5 (*Redemption, Purchase Options and Physical Delivery*) for further details.

Redemption upon the occurrence of a Specified Event

The Final Terms in respect of a Series of Notes may provide that upon the occurrence of a Specified Event and the satisfaction by the Issuer of all of the conditions specified in the Conditions as completed by the applicable Final Terms, the Issuer's obligation to redeem the Notes of any Series at the Maturity Redemption Amount will be replaced by an obligation to redeem the Notes at such amount specified in, or calculated pursuant to the terms set out in, the Conditions as completed by the applicable Final Terms (which may be less than the outstanding principal amount of such Notes) and/or by the delivery of any asset(s) as may be specified in the applicable Final Terms, the market value of which may be less than the outstanding principal amount of such Notes.

Payment by the Issuer of any amount so specified and/or delivery by the Issuer of any asset so specified in accordance with the Conditions and the provisions of the applicable Final Terms shall satisfy the obligations of the Issuer with respect to the Notes of the relevant Series and Noteholders shall have no claim in respect of any amounts which would, but for the operation of the provisions of the Conditions and such Final Terms, have been payable in respect of such Notes.

Specified Denomination

Notes will be in such denominations as may be specified in the relevant Final Terms, save that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be at least €100,000 (or its equivalent in any other currency as at the date of issue of the Notes). Notes initially represented by a Restricted Global Certificate will have a minimum denomination of at least U.S.\$100,000.

Taxation

The Notes will not contain any provision that would oblige the Issuer to gross-up any amounts payable in respect of interest or principal in the event of any withholding or deduction for or on account of taxes levied in the United Kingdom or any other country.

The Issuer may, at its option, redeem the Notes upon notice early at the Early Redemption Amount (adjusted where appropriate) in certain circumstances specified in Condition 5.3 (*Redemption for Taxation Reasons*).

Status of the Notes

The Notes will constitute direct, unconditional and unsecured obligations of the Issuer ranking at all times *pari passu* and without preference among themselves.

Listing and Admission to Trading

Notes of any Series may, if so specified in the applicable Final Terms, be listed on the Official List of the Irish Stock Exchange and admitted to trading on the Main Securities Market of the Irish Stock Exchange within 12 months of the date of this Base Prospectus. The Issuer may in the period of validity of this Base Prospectus make an application for the Programme to be admitted to trading on a regulated market of the Vienna Stock Exchange.

Rating

The Programme is not rated and it is not anticipated that Series of Notes will be rated by independent rating agencies.

Governing Law

The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.

Clearing System

Bearer Notes and Registered Notes may be eligible for clearing and settlement through the electronic clearing and settlement systems operated by Euroclear Bank S.A./N.V. ("**Euroclear**"), Clearstream Banking, *société anonyme* ("**Clearstream Luxembourg**") and/or the Depository Trust Company ("**DTC**"), or any successor thereto.

Selling Restrictions

United States, EEA, United Kingdom, Republic of Ireland and any other jurisdiction relevant to any Series. See "Selling Restrictions".

The Notes issued hereunder will be subject to Category 2 for the purposes of Regulation S under the Securities Act.

Notes in bearer form will be issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") unless (i) the relevant Final Terms states that Notes are issued in compliance with US Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" for US federal income tax purposes, which will be referred to in the relevant Final Terms as a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") is not applicable.

ERISA

The Notes may be acquired by, on behalf of, or with the assets of any employee benefit plans or plans subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, subject to certain restrictions. See "Certain ERISA Restrictions" and "Transfer Restrictions".

Supplements

If at any time the Issuer shall be required to prepare a supplemental prospectus pursuant to Articles 23 and 51 of S.I. No. 324, Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended), the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further prospectus.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated by reference herein) and in the applicable Final Terms and reach their own views prior to making any investment decision.

The risk factors set out below are organised into the following sub-sections:

- General
- Risk factors relating to the Issuer
- Risk factors relating to the Notes
- Risk factors relating to the market
- Risk factors relating to potential conflicts of interest

General

This Base Prospectus identifies in a general way the information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the Notes. This Base Prospectus is not, and does not purport to be, investment advice. If a prospective investor does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, the investor should consult with its financial adviser prior to deciding to make an investment on the suitability of the Notes.

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. In particular, investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risk factors relating to the Issuer

Set out below are certain risk factors which could affect the Issuer's future results and financial position and cause them to be materially different from what is expected. The Issuer's results could also be affected by competition and other factors. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties the Issuer's businesses face.

The acquisition of control of the Issuer by the Industrial and Commercial Bank of China Limited ("ICBC") may have an impact on the assets and operations of the Issuer, resulting from a shift in operational focus and from changes in internal policy

Following an agreement between ICBC and Standard Bank London Holdings Limited ("SBLH", a wholly owned subsidiary of Standard Bank Group Limited ("SBGL", together with its subsidiaries the "Standard Bank Group")), ICBC completed the acquisition of a 60 per cent. controlling stake in the Issuer on 1 February 2015. Following the acquisition, the Issuer has ceased to be controlled by the Standard Bank Group.

ICBC has also been granted a five-year option to purchase from SBLH a further 20 per cent. of the outstanding ordinary shares of the Issuer for cash, which is exercisable from the second anniversary of completion of the acquisition. Subject to ICBC exercising such option, SBLH will have a further five-year option to require ICBC to acquire its residual shareholding for cash.

The completion of the acquisition required a number of restructuring steps to be undertaken to reconstitute the group to include subsidiaries and operations in the United States and Singapore. The New York-based subsidiaries were acquired by the Issuer on 31 July 2014 and the Singapore based operations were transferred to the Issuer's Singapore branch with effect from 1 August 2014. The reorganisation was implemented in order to constitute the Issuer and its relevant subsidiaries in the US, Middle East and Asia as a focused global markets platform. This restructuring has resulted in all entities, current and previous activities and legacy assets not focussed on global markets business being removed from the Issuer on or before 31 December 2014. The activities which were removed from the Issuer's scope of business therefore include investment banking, transactional products and services, principal investment management, and the London-based services unit of the Standard Bank Group.

The Issuer's financial statements for the year ended 31 December 2014 have been prepared to reflect the appropriate division between continuing and discontinued business. The discontinued operations' full year results are included in the income statement for the year ended 31 December 2014. Given that the excluded business' assets and liabilities were disposed on, or before, 31 December 2014, these are not included in the year-end balance sheet.

The change in control of the Issuer may result in changes in management and governance procedures, internal policies, regulatory and compliance activities, risk management procedures, financial reporting and accounting policies, IT systems and other operational matters which, together with the removal of entities, activities and legacy assets, could have a material effect on the business operations, financial condition and results of operations of the Issuer.

The Issuer's business is less diversified following the acquisition of control of the Issuer by ICBC

The business sectors of the Issuer were restructured prior to the acquisition of control by ICBC. This restructuring resulted in all activities and assets not focused on global markets business being removed from the Issuer on or before 31 December 2014. The activities which were removed from the Issuer's scope of business included investment banking, transactional products and services, principal investment management, and the London-based services unit of the Standard Bank Group. The discontinued business units contributed U.S.\$189 million (2013: U.S.\$198.5 million) to group revenues and U.S.\$16.5 million (2013: U.S.\$54.7 million) to the group's net operating cash flows for the year ended 31 December 2014.

The business of the Issuer is therefore less diversified than in previous years, and is focused on global markets operations which include foreign exchange, commodities, interest rate, credit and equity trading businesses, as well as client financing and money market funding units. In the event of a downturn in financial markets, the impact on the Issuer may therefore be more severe following the restructuring than if it had retained its former sources of revenue such as corporate advisory, transactional banking and investment management, which are less directly correlated to trading activity.

The Issuer's operations focus on emerging markets

The Issuer's operations focus on emerging markets including ones in Eastern Europe, Africa, Middle East, the People's Republic of China, South East Asia and Latin America and these operations expose it to risks, arising from the political and economic environment, that could adversely affect its financial

conditions and results. Operations in some of these markets present various risks that do not necessarily apply to businesses in Western Europe. Some of these markets are more volatile and less developed economically and politically than markets in Western Europe. The Issuer faces significant economic and political risk in these markets, including economic volatility, recession, inflationary pressure, exchange rate risk, interruption of business, as well as civil unrest, imposition of exchange controls, expropriation, nationalisation, renegotiation or nullification of existing contracts and changes in law or tax policy. These risks could result in an adverse impact on the Issuer's financial condition and results of operations.

Investors should also note that such emerging economies are subject to rapid change and that some of the information set out in this Base Prospectus may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate.

The nature and impact of future changes in laws, regulations and regulatory policies are not predictable and are beyond the Issuer's control, and changes in such laws, regulations and regulatory policies may have an adverse effect on the Issuer's financial condition and results of operations.

The Issuer's business is subject to inherent risks arising from general international economic and political conditions

The Issuer's business is subject to inherent risks regarding general economic conditions. These conditions include changing economic cycles that affect demand for investment banking products. These cycles are also influenced by global political events such as terrorist acts, war and other hostilities, as well as market specific events, such as shifts in consumer confidence and consumer spending, rates of unemployment, industrial output, labour or social unrest and political uncertainty. Each of these can change the level of demand for, and supply of, the Issuer's products and services and could have a material adverse effect on its business, financial condition and results of operations.

The Issuer is exposed to credit risk and may be subject to increases in credit impairment charges

Credit risk arises mostly from lending, related banking product activities (including underwriting activity), traded products (such as derivative contracts) and securities borrowing and lending products. In lending transactions, credit risk arises through non-performance by a customer or market counterparty for facilities granted. These facilities are typically loans and advances, including the advancement of securities and contracts to support customer obligations such as letters of credit and guarantees. In trading activities, credit losses arise due to non-performance by a counterparty for payments linked to trading-related financial obligations. Market and credit risk overlap in traded credit products (whether traded as principal or held as collateral) including debt instruments and credit derivatives. In these circumstances, issuer concentration and default risks are managed through credit and country risk processes, and market price sensitivity through market risk processes.

A formal structure exists for the approval of credit limits. As at 31 December 2014, the Issuer's most significant credit exposures were through loans and advances to banks and customers (U.S.\$4,462.8 million as at 31 December 2014 as opposed to U.S.\$5,778.4 million as at 31 December 2013), balances with central banks (U.S.\$1,432.9 million as at 31 December 2014 as opposed to U.S.\$1,343.8 as at 31 December 2013) and trading assets (U.S.\$4,125.1 million as at 31 December 2014 as opposed to U.S.\$5,846.6 million as at 31 December 2013). The issuer's total credit risk as at 31 December 2014 is disclosed on page 86 of its 2014 annual financial statements. The Issuer has a relatively diverse geographic exposure to credit risk through loans and advances, with its largest exposures in the United Kingdom (45.4 per cent.). Other exposures are in the Eurozone (12.1 per cent.), Rest of Europe (12.0 per cent.), Asia-Pacific (6.8 per cent.), Sub-Saharan Africa (8.1 per cent.), North America (5.5 per cent.), Latin America (8.2 per cent.) and Middle East and North Africa (1.9 per cent.). Deterioration in the credit quality of the Issuer's borrowers and counterparties could have a material adverse effect on its business, financial condition and results of operations. Adverse changes in the credit quality of the Issuer's borrowers and counterparties could reduce the value of the Issuer's assets, and require increased provisions for bad and doubtful debts. In addition, changes in economic conditions may result in deterioration in the value of security held against lending exposures and increase the risk of loss in the event of borrower default.

The Issuer is subject to market risk

Market risk is the risk that movements in market parameters such as interest rates, foreign exchange rates and asset or equity prices will impact on the Issuer's profitability. The Issuer's principal sources of market risk relate to credit spread risk, interest rate, currency and commodity price risk and volatility risk. The Issuer's market risks are relatively diversified across both developed and emerging market countries. The Issuer's major exposures to market risk occur in markets served by both formal exchanges and over the counter markets and exposures arise in relation to financial instruments mainly held in foreign exchange, commodity and capital markets as well as equity markets. The Issuer's exposures arise from both customer-driven business and from proprietary positions, although the market risk positions arising from the Issuer's proprietary trading are not significant in the Issuer's overall risk portfolio. Adverse effects from market risk could have an adverse effect on the Issuer's business, financial condition and results of operations. See "*Risk Management – Market Risk*".

The Issuer is subject to foreign exchange risk

The Issuer's foreign exchange positions arise mainly from foreign exchange trading activities, which are governed by position limits approved by the Issuer's Risk Management Committee in accordance with the Issuer's Market Risk policy. These position limits are subject to review at least annually and foreign exchange exposures are monitored daily by the Market Risk function to ensure they remain within the approved risk appetite. The Issuer does not hedge its foreign currency exposure at all times. As a result, adverse changes in foreign exchange rates could have an adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer is subject to liquidity and interest rate risk

Liquidity risk is the risk that the Issuer is not able to meet its payment obligations as they fall due. The Issuer manages the liquidity structure of its assets, liabilities and commitments to ensure that its operations can always meet its funding needs and the statutory liquidity ratio requirement. The Issuer relies largely on continuous access to financial markets for short and long term financing. An inability to access funds may result in an inability to finance its operations. The Issuer's Risk Management Committee reviews the current and prospective funding requirements for all operations on an on-going basis through regular review of the liquidity ratio, maturity mismatch, deposit base diversification and stability as well as liquidity stress testing results. In addition, standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business. The Issuer maintained a strong liquidity profile throughout the 2014 financial year. If the Issuer is not able to re-finance its liabilities as they become due, it could suffer an adverse effect on its business, financial condition and results of operations.

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies and national and international political conditions. Changes in market interest rates may affect the interest rates the Issuer earns on its interest earning assets differently from the interest rates it pays on its interest bearing liabilities. Rising interest rates could also result in an increase in the Issuer's impairment losses on loans and advances if clients cannot meet their interest or principal payment obligations in a higher interest rate environment. This difference could reduce the Issuer's net income, despite any hedging activities the Issuer undertakes. The principal interest rate risk to which the Issuer is exposed occurs in its trading portfolio, which is managed as part of market risk. Within its non-trading portfolio, the principal risk to which the Issuer is exposed is the risk of loss from fluctuations in future cash flows because of a change in market interest rates. If the Issuer is subject to adverse changes in interest rates, it could suffer an adverse effect on its business, financial condition and results of operations.

A downgrade in the Issuer's credit ratings could adversely affect its business

Rating agencies may, at their discretion, change any of the credit ratings assigned to the Issuer. Any subsequent downgrade of the Issuer's credit ratings or financial strength ratings, or the announcement of a potential downgrade of any these ratings, could reduce demand for the Issuer's products and services, adversely affect its relationships with intermediaries and counterparties, weaken its competitive position, increase its borrowing costs and reduce its access to funds, which could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer is subject to capital requirements that could limit its operations

The Issuer is subject to the United Kingdom Prudential Regulation Authority's capital adequacy guidelines for banks, which provide for a minimum ratio of total capital to risk adjusted assets both on a consolidated basis and on a non-consolidated basis expressed as a percentage. The Issuer's failure to maintain its ratios may result in administrative actions or sanctions against it which may have a material adverse effect on the Issuer's business, financial condition and results of operations.

A significant proportion of the Issuer's net income is comprised of trading revenue, which may be volatile

The Issuer's trading revenue was U.S.\$155.1 million from continuing operations for the year ended 31 December 2014, and U.S.\$242.1 million from continuing operations for the year ended 31 December 2013. The Issuer's income from such activities depends on numerous factors beyond its control, such as overall market activity, the level of interest rates, volatility in foreign exchange and interest rates, commodity price fluctuations, domestic and international economic and political conditions and general market volatility. The Issuer has limits in place for its trading portfolio for types of securities and single named issuers, which are designed to limit its portfolio risk to an acceptable level. Nevertheless, market price fluctuations may adversely affect both the volume of, and fees generated from, the Issuer's trading activities and the value of its portfolio, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Operational risks are inherent in the Issuer's business

Operational risks are inherent in the Issuer's business, including the risk of loss resulting from inadequate or failed internal and external processes, documentation, people and systems or from external events. The Issuer's business is dependent on its ability to process 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. The Issuer's systems and processes are designed to ensure that the operational risks associated with its activities are appropriately controlled; however, any weakness in these systems could result in a negative impact on the Issuer's business, financial condition, results of operations and prospects.

Notwithstanding anything in the paragraph above, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with Notes admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange (or any other market, as the case may be) or as a supervised firm regulated by the Financial Conduct Authority.

The Issuer's business is subject to significant competition

The Issuer's business is subject to significant competition from many other international financial institutions, including non-bank financial institutions operating in the emerging markets described above, including competitors that may have greater financial and other resources, and, in certain emerging markets, from local banks. Local regulations in a number of jurisdictions that favour local banks by restricting the ability of international banks operating in the relevant country to enter the market and/or expand their existing operations could adversely affect the Issuer's ability to compete. Many of the international and local banks operating in the Issuer's markets compete for substantially the same customers as the Issuer. Competition may increase in some or all of the Issuer's principal markets and may have an adverse effect on its financial condition and results of operations.

The Issuer may be adversely affected by litigation

From time to time, the Issuer is involved in litigation or receives claims arising from the conduct of its business which can require the Issuer to engage in legal and regulatory proceedings in order to enforce contractual rights.

The group is in receipt of a claim from a former borrower under certain long term non-performing loan facilities for alleged overpayments of fees, interest and default interest. The facilities were repaid in September 2012. The amount of the claim has not been quantified by the claimant, but would appear to be in the region of U.S.\$5.0 million to U.S.\$50.0 million. The group believes it has robust defences to the claim asserted against it and intends to defend itself vigorously.

In late November 2014, the group was advised that a purported class action lawsuit had been filed against it and three other institutions in the Southern District of New York for unquantified damages arising as a result of an alleged conspiracy to manipulate and rig the global benchmarks for physical platinum and palladium prices, as well as the prices of platinum and palladium based financial derivative products.

From time to time the group is the subject of various regulatory reviews, requests for information and investigations by various governmental and regulatory bodies related to the group's business operations. The group is co-operating with an ongoing investigation in relation to a historic debt capital markets transaction.

Whilst recognising the inherent difficulty of predicting the outcome of legal and regulatory proceedings, the Issuer believes, based upon current knowledge and after consulting with legal counsel, that these matters should not have a material adverse effect on the consolidated financial position of the Issuer.

The Issuer may be unable to attract and retain highly qualified professional personnel

The success of the Issuer's operations relies on its ability to attract and retain highly qualified professional personnel. The Issuer's ability to attract and retain key personnel is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. The loss of the services of key members of its senior management or inability to attract and retain qualified professional staff generally may significantly interfere with the Issuer's business and could result in a material adverse effect on the Issuer's business, results, operations, reputation or financial condition.

The Issuer is subject to the risk of failure of its IT systems and breaches of its security systems

Various external events beyond the Issuer's control and the control of its management, could have a major impact on the Issuer's business, results, operations, reputation or financial condition. Examples of such events are natural catastrophes, war, vandalism and terrorist attacks. The Issuer has contingency plans, intended to ensure its capacity to maintain services with, and the confidence of its clients and other counterparties should a serious situation arise. However, the Issuer's contingency plans may fail, which could result in a material adverse effect on the Issuer's business, results, operations, reputation and financial condition.

ICBC may not provide support to the Issuer

ICBC has undertaken, by way of a statement of support, to ensure that the Issuer is able to meet its financial obligations and maintain a minimum level of capital adequacy. Noteholders should be aware that the statement of support does not constitute a legal guarantee by ICBC and is not legally enforceable by Noteholders. There is no certainty that ICBC would be able or willing to assist the Issuer were the Issuer unable to pay any amounts due to Noteholders.

The interests of ICBC may conflict with those of Noteholders

ICBC currently holds a 60 per cent. stake in the Issuer, with arrangements in place enabling it to acquire further stake from SBGL. As a result, ICBC is able to exert influence over actions requiring shareholder approval. If circumstances were to arise where the interests of ICBC conflict with the interests of the Noteholders, Noteholders could be disadvantaged if ICBC seeks to take actions contrary to Noteholders' interests.

The Issuer enters into related party transactions with entities forming part of both the ICBC group and the Standard Bank Group

The Issuer enters into related party transactions with other entities forming part of the ICBC group and the Standard Bank Group. These related party transactions are entered into in the course of banking operations, including lending, acceptance of interbank deposits, transfer pricing arrangements and corresponding banking transactions. The transactions are priced at the prevailing market rates at the time of the transactions. A significant portion of this activity involves the placement of excess liquidity by other entities with the Issuer. The Issuer also advances funds to other group entities, as part of normal activity. See "Related Party Transactions".

Regulatory action in the event that the Issuer is failing or is likely to fail or the Issuer becomes non-viable could materially adversely affect the value of the Notes

The Bank Recovery and Resolution Directive ("**BRRD**") provides an EU-wide framework for the recovery and resolution of credit institutions and investment firms. It was adopted in June 2014, with an implementation deadline of 1 January 2015, save for the provisions in respect of the bail-in tool, which are to apply from 1 January 2016 at the latest. The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

In the United Kingdom, some of the requirements of the BRRD were already reflected in national law in the Banking Act 2009 (the "**Banking Act**"). In addition, the Banking Act was amended to conform to the additional requirements in the BRRD, including the introduction of the bail-in tool as of 1 January 2015; however, the implementation of the minimum requirement for own funds and eligible liabilities ("**MREL**") regime has been deferred. The Prudential Regulation Authority (the "**PRA**") has also published rules pursuant to the BRRD and the Banking Act which require the inclusion of a contractual clause recognising the bail-in powers in respect of liabilities governed by the law of a non-EEA state. These rules became effective on 19 February 2015 in respect of debt instruments and will apply to all other relevant liabilities from 1 January 2016.

The Banking Act confers substantial powers on a number of UK authorities designed to enable them to take a range of actions in relation to UK banks and certain of their affiliates in the event a bank in the same group is considered to be failing or likely to fail. The exercise of any of these actions in relation to the Issuer could materially adversely affect the value of any Notes.

Under the Banking Act, substantial powers are granted to the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the PRA, the Financial Conduct Authority (the "**FCA**") and HM Treasury, as appropriate (together, the "**Authorities**") as part of a special resolution regime (the "**SRR**"). These powers enable the Authorities to deal with a UK bank or building society and certain of their affiliates (each a "**relevant entity**") in circumstances in which the Authorities are satisfied that the resolution conditions are met. The SRR consists of five stabilisation options and two insolvency and administration procedures applicable to UK banks which may be commenced by the Authorities. The stabilisation options provide for:

- (i) private sector transfer of all or part of the business of the relevant entity;
- (ii) transfer of all or part of the business of the relevant entity to a "bridge bank" established by the Bank of England;
- (iii) transfer to an asset management vehicle;
- (iv) the bail-in option; and
- (v) temporary public ownership (nationalisation) of the relevant entity.

Each of these stabilisation options is achieved through the exercise of one or more "stabilisation powers", which include: (i) the power to make share transfer orders pursuant to which all or some of the securities issued by a UK bank may be transferred to a commercial purchaser, a bridge bank or the UK government; (ii) the resolution instrument power which may make provision for bail-in; (iii) the power to transfer all or some of the property, rights and liabilities of a UK bank to a commercial purchaser or Bank of England entity; and (iv) the third country instrument powers that recognise the effect of similar special resolution action taken under the law of a country outside the EEA (a "**Third Country**"). A share transfer order can extend to a wide range of securities, including shares and bonds issued by a UK bank or its holding company and warrants for such shares and bonds and could, therefore, apply to the Notes. In addition, the Banking Act grants powers to modify contractual arrangements in certain circumstances, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the relevant Authority to disapply or modify laws (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively. The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of any Notes and could lead to Noteholders losing some or all of the value of their investment in the Notes.

The SRR is designed to be triggered prior to insolvency of the Issuer and Noteholders may not be able to anticipate the exercise of any resolution power by the relevant Authority.

The stabilisation options are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the stabilisation options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the stabilisation options may be exercised if (a) the relevant Authority is satisfied that a UK bank (such as the Issuer) is failing, or is likely to fail, (b) the relevant Authority determines that it is not reasonably likely that (ignoring the stabilisation powers) action will be taken by or in respect of a UK bank that will result in condition (a) above ceasing to be met, (c) the relevant Authority considers the exercise of the stabilisation powers to be necessary, having regard to certain public interest considerations (such as the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors, being some of the special resolution objectives) and (d) the relevant Authority considers that the special resolution objectives would not be met to the same extent by the winding-up of the UK bank. In the event that the Authorities seek to exercise their powers in relation to a UK banking group company, the relevant Authority has to be satisfied that (A) the conditions set out in (a) to (d) above are met in respect of a UK bank in the same banking group (or, in respect of an EEA or Third Country credit institution or investment firm in the same banking group, the relevant EEA or Third Country resolution authority is satisfied that the conditions for resolution applicable in its jurisdiction are met) and (B) certain criteria are met, such as the exercise of the powers in relation to such UK banking group company being necessary having regard to public interest considerations. The use of different stabilisation powers is also subject to further "specific conditions" that vary according to the relevant stabilisation power being used.

Although the Banking Act provides for the conditions described above to the exercise of any resolution powers, it is uncertain how the relevant Authority would assess such conditions in different pre-insolvency scenarios affecting the Issuer and/or other members of the Issuer's group and in deciding whether to exercise a resolution power. The relevant Authority is also not required to provide any advanced notice to Noteholders of its decision to exercise any resolution power. Therefore, Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Issuer's group and the Notes.

The bail-in option may be exercised in respect of all liabilities not excluded or protected, including the Notes, which may result in Noteholders losing some or all of their investment in the Notes.

The bail-in option has been introduced as an additional tool available to the relevant Authority, to enable it to recapitalise a failed institution by allocating losses to its shareholders and unsecured creditors (which includes Noteholders) in a manner that (i) ought to respect the hierarchy of claims in an ordinary insolvency and (ii) is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity (known as the "no creditor worse off" safeguard). Certain liabilities are excluded from the scope of the bail-in tool, such as insured deposits and liabilities to the extent they are secured. The Banking Act also grants the powers for the relevant Authority to exclude any liability or class of liabilities on certain prescribed grounds (including financial stability grounds) and subject to specified conditions.

The bail-in option includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant entity under resolution and the power to convert a liability from one form or class to another. The exercise of such powers may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes, in each case, to give effect to the exercise by the relevant Authority of such power.

Where the relevant statutory conditions for intervention under the SRR and the use of the bail-in tool have been met, the relevant Authority would be expected to exercise these powers without the consent of the Noteholders.

In accordance with the principles established for the exercise of the bail-in option, the relevant Authority will be required to have regard to the hierarchy of claims in an ordinary insolvency. Therefore, the Issuer

expects that the relevant Authority would, in any exercise of the bail-in powers, write-down or convert any eligible liabilities of the Issuer that rank junior to the Notes (which would include any capital instruments, such as Tier 1 or Tier 2 notes) before exercising its bail-in powers in respect of the Notes.

The exercise of any resolution power, including the bail-in powers in relation to the Issuer or any suggestion of any such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the relevant Issuer to satisfy its obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

As insured deposits are excluded from the scope of the bail-in tool and other preferred deposits (and insured deposits) rank ahead of any Notes issued by the Issuer, such Notes would be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuer (such as other preferred deposits)

As part of the reforms required by the BRRD, amendments have been made to relevant legislation in the UK (including the Insolvency Act 1986) to establish a statutory preference in the insolvency hierarchy (i) firstly, for deposits that are insured under the Financial Services Compensation Scheme ("insured deposits") to rank with existing preferred claims as "ordinary" preferred claims and (ii) secondly, for certain other deposits of individuals and micro, small and medium sized enterprises held in EEA or non-EEA branches of an EEA bank ("other preferred deposits"), to rank as "secondary" preferred claims only after the "ordinary" preferred claims. In addition, the new EU directive on deposit guarantee schemes (the "DGSD"), which is to be implemented into national law by July 2015, will increase the nature and quantum of insured deposits to include a wide range of deposits, including corporate deposits (unless the depositor is a public authority or financial institution) and some temporary high value deposits. The effect of these changes is generally to increase the size of the class of preferred creditors. All such preferred deposits will rank in the insolvency hierarchy ahead of all other unsecured senior creditors of the Issuer, including the Noteholders. Furthermore, insured deposits are excluded from the scope of the bail-in tool. As a result, the Notes issued by the Issuer would be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuer such as other preferred deposits.

Minimum requirement for own funds and eligible liabilities

In order to ensure the effectiveness of bail-in and other resolution tools, the BRRD requires that all institutions must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities. Items eligible for inclusion in MREL will include an institution's own funds along with "eligible liabilities". The UK has opted to defer the implementation of the MREL regime until 1 January 2016.

The European Banking Authority (the "EBA") and the European Commission are required to develop the criteria for determining the MREL, the calculation methodologies and related measures. Although the EBA has consulted on certain proposals, which are in draft form and subject to change, the precise impact of the MREL requirements on individual firms will remain a matter of some uncertainty until the final measures are adopted. It is also unclear whether the proposals published in November 2014 by the Financial Stability Board ("FSB") for a new international standard on total loss absorbing capacity ("TLAC") for globally systemically important banks ("G-SIBs") (albeit the Issuer not being a G-SIB based on the latest FSB list published in November 2014) will affect the way in which the authorities implement the MREL regime.

While these measures remain in development, it is not possible to determine the ultimate scope and nature of any resulting obligations for the Issuer, nor the impact that they will have on the Issuer once implemented. If the FSB's and EBA's proposals are implemented in their current form however, it is possible that, the Issuer and/or other members of the group may have to issue MREL eligible liabilities in order to meet the new requirements within the required timeframes and/or that these proposals would impose operational restrictions on the Issuer, increase the Issuer's expenses and/or otherwise have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Issuer and, in turn, adversely affect the value of the Notes.

The Issuer is subject to regulatory capital requirements that are subject to change and may result in additional capital requirements

The Issuer is subject to capital adequacy requirements adopted by the PRA. The Issuer's ability to do business could be constrained if it fails to maintain sufficient levels of capital. Further, if the Issuer fails to meet its minimum regulatory capital requirements, this could result in administrative actions or sanctions against it. Effective management of the Issuer's capital is critical to its ability to operate and grow its business and to pursue its strategy. Any change that limits the Issuer's ability to manage its balance sheet and capital resources effectively (including, for example, reductions in profits and retained earnings as a result of credit losses, write downs or otherwise, increases in risk weighted assets, delays in the disposal of certain assets or the inability to raise finance through wholesale markets as a result of market conditions or otherwise) could have a material adverse effect on its business, financial condition, results of operations and/or prospects.

The Issuer faces risks associated with an uncertain and rapidly evolving prudential regulatory environment, pursuant to which it is required, among other things, to maintain adequate capital resources and to satisfy specified capital ratios at all times. The Issuer's borrowing costs and capital requirements could be affected by these prudential regulatory developments, which include (i) the legislative package, CRD IV, implementing the proposals of the Basel Committee (known as "**Basel III**") in the EU and repealing the existing capital requirements directives and other regulatory developments impacting capital, leverage, liquidity positions and its legal entity structure (including with regard to issuance and deployment of capital and funding) and (ii) BRRD. Any future unfavourable regulatory developments could have a material adverse effect on the Issuer's business, financial condition, results of operations and/or prospects.

CRD IV/Capital Requirements Regulation ("**CRR**") introduced significant changes in the prudential regulatory regime applicable to banks with effect from 1 January 2014, including: increased minimum levels of capital and additional minimum capital buffers; enhanced quality standards for qualifying capital; increased risk weighting of assets, including in relation to market risk and counterparty credit risk; and the introduction of a minimum leverage ratio. Although CRD IV/CRR provides for some of these measures to be phased in over a transitional period, the PRA's supervisory expectation is for UK banks to meet certain of these targets in expedited timeframes. CRD IV requirements adopted in the United Kingdom may change, whether as a result of further changes to CRD IV agreed by EU legislators, binding regulatory technical standards to be developed by the EBA, changes to the way in which the PRA interprets and applies these requirements to UK banks (including as regards individual model approvals granted under CRD II and III) or otherwise. Such changes, either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to the Issuer's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

A market perception or actual shortage of capital issued by the Issuer could result in regulatory and/or governmental interventions, including requiring the Issuer to issue additional capital instruments or issuing a public censure or the imposition of sanctions.

Risk factors relating to the Notes

Risks relating to the Notes generally

Noteholders may receive back less than their original invested amount

A Noteholder could obtain a lower return on the Notes than its original invested amount, and such return could be as low as zero, if any one or more of the following events occurs:

- (1) the terms of the relevant Notes do not provide for full repayment of the initial purchase price upon final maturity and/or mandatory early redemption of such Notes and the relevant underlying asset(s) perform in such a manner that the final redemption amount and/or mandatory early payment amount is less than the initial purchase price. The pay-out formula of the relevant Notes will either provide for full or partial "principal protection" or not. Investors in Notes that are not principal protected risk losing their entire investment if the value of the underlying asset(s) does not move in the anticipated direction. Investors in Notes that are principal protected may still be subject to loss of some or all of their investment if the Notes are not fully "principal

protected" or in the circumstances described in (2), (3), (4) and (5) below and may not receive any value for the time for which their money is invested;

- (2) the Issuer fails or goes bankrupt or otherwise defaults on its obligations under the relevant Notes;
- (3) the terms of the relevant Notes are subject to an unscheduled early redemption (e.g. for change of applicable law or due to an event in relation to the relevant underlying asset(s)) and the early redemption amount or physical settlement amount is less than the original invested amount;
- (4) the Notes are not held to maturity by the Noteholder and the price received by the Noteholder for a secondary market sale is less than the original invested amount; or
- (5) the terms and conditions of the Notes are adjusted in a materially adverse way (in accordance with the terms and conditions of the Notes).

The Notes are not secured and the Noteholders have no claim on an underlying asset

The obligations of the Issuer are not secured. Notwithstanding that the relevant Notes may be linked to the performance of one or more underlying assets, the Notes do not represent a claim against any underlying assets and Noteholders (as defined in "Terms and Conditions of the Notes") of such Notes will not have any right of recourse under the Notes to any such underlying assets (or any issuer, sponsor, manager or other connected person in respect of an underlying asset). The Notes are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an underlying asset and such entities have no obligation to take into account the consequences of their actions on any Noteholders. The Issuer shall not be required to hold any underlying assets.

The Notes may be redeemed prior to maturity for tax reasons

In the event that the Issuer would be obliged to withhold or deduct amounts for or on account of tax from the amounts payable in respect of any Notes, or would suffer tax in respect of its income so that it is not able to pay in full amounts due in respect of the Notes, the Issuer may redeem all outstanding Notes in accordance with the terms and conditions (the "**Conditions**") of the Notes. It should be noted, however, that the Issuer is not required to pay any additional amounts in respect of such withholding or deduction. See also "*Foreign Account Tax Compliance Act*".

Taxation and no gross-up

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. As noted above, in the event that any withholding tax or deduction for tax is imposed on payments of interest or principal on the Notes, the Noteholders (as defined in "Terms and Conditions of the Notes") will not be entitled to receive grossed-up amounts to compensate for such withholding tax and no Event of Default shall occur as a result of any such withholding or deduction.

Modification and waivers - Notes may be amended without the consent of the holders or with the consent of only some of the holders binding all of the holders of Notes

Subject as provided below, the Conditions of the Notes may be amended by the Issuer without the consent of the Noteholders if the amendment:

- (a) is of a formal, minor or technical nature; or
- (b) is made to cure a manifest or proven error; or
- (c) is made to cure any ambiguity or is made to correct or supplement any defective provisions of the Notes or the Deed of Covenant (as applicable); or
- (d) will not materially and adversely affect the interests of the holders of the Notes or (if applicable) any Couponholders.

In addition, other changes may be made to the Conditions of the Notes with the consent of the Noteholders. The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider specific matters affecting their interests. These provisions permit defined majorities to bind all of the holders of the Notes of the relevant Series, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Legality of purchase

The Issuer does not have nor does it assume responsibility for the lawfulness of a prospective investor's acquisition of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or the compliance by that prospective investor with any law, regulation or regulatory policy applicable to it. A prospective investor of Notes may not rely on the Issuer in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Risk of holding an amount of Notes that is not equal to one or more Specified Denominations

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. The inability to obtain a Definitive Note due to this minimum denomination requirement may mean that Bearer Notes may be considered to be registered for U.S. tax purposes.

Risks relating to the clearing systems

Because the Global Notes and Global Certificates will generally be held by or on behalf of Euroclear, Clearstream, Luxembourg and DTC, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

European Union Savings Tax Directive

Under the EU Savings Tax Directive (as defined in "*Taxation – EU Savings Tax Directive*") each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income payments ("**Savings Income**") made by a person within its jurisdiction to, or collected by such a person for, an individual resident or to certain limited types of entities established in that other Member State (interest payments on the Notes will for these purposes be Savings Income). However, for a transitional period, Austria may instead apply 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 first 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 certain dependent or associated territories of certain Member States have adopted and implemented similar measures (either provision of information or transitional withholding) in relation to payments of Savings Income made by a person within its jurisdiction to, or collected by such a person for, an individual resident or to certain limited types of entities established in a Member State.

In addition, Member States have entered into reciprocal arrangements with certain of those non-EU countries and dependent or associated territories of certain Member States in relation to payments of Savings Income made by a person in a Member State to, or collected by such a person for, an individual resident or to certain limited types of entities established in one of those territories or countries.

Where an individual Noteholder receives a payment of Savings Income from any Member State or dependent or associated territory employing the withholding arrangement, the individual Noteholder may be able to elect not to have tax withheld. The formal requirements may vary slightly from jurisdiction to jurisdiction. They generally require the individual Noteholder to produce certain information (such as his tax number) and consent to details of payments and other information being transmitted to the tax authorities in his home state. **Provided that** the other Tax Authority receives all of the necessary

information the payment should not suffer a withholding under the EU Savings Tax Directive or the relevant law conforming with the directive in a dependent or associated territory.

The Council of the European Union formally adopted a Council Directive amending the EU Savings Tax Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described in the first paragraph above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive and are required to apply these new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the EU Savings Tax Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the European Commission has proposed the repeal of the EU Savings Tax Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Tax Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

Change in Tax law

Tax law and practice is subject to change, possibly with retrospective effect, and this could adversely affect the value of the Notes to the Noteholders and/or the market value of the Notes. Any such change may (i) cause the tax treatment of the relevant Notes to change from what the investor understood the position to be at the time of purchase; (ii) render the statements in this Base Prospectus concerning relevant tax law and practice in relation to Notes under the Programme to be inaccurate or to be inapplicable in some or all respects to certain Notes or to not include material tax considerations in relation to certain Notes; or (iii) give the Issuer the right to redeem the Notes. **Prospective purchasers of any Notes should consult their own tax advisers in relevant jurisdictions about the tax implications of holding any Note and of any transaction involving any Note.**

Payments on certain Notes may be subject to U.S. withholding tax under FATCA

The United States has enacted rules, commonly referred to as "FATCA", that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including interest and dividends), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain payments made by entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with the United Kingdom (the "**IGA**"). Under the IGA, as currently drafted, the Issuer does not expect payments made on or with respect to the Notes to be subject to withholding under FATCA, unless treated as a Dividend Equivalent Payments or otherwise treated as paid from U.S. sources. (See "*U.S. withholding tax may apply to Notes with payments linked to dividends paid by U.S. persons*" below). However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

U.S. withholding tax may apply to Notes with payments linked to dividends paid by U.S. persons

Payments made by the Issuer to non-U.S. persons that are treated as contingent upon, or determined by reference to, U.S.-source dividends may be subject to U.S. withholding tax at a rate of 30 per cent. (or a lower rate providing for in an applicable treaty). The Issuer will not pay any Additional Amounts in respect of such withholding. See "*United States Taxation—Taxation of Non-US Holders—Dividend Equivalent Payments*".

Risks relating to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features. Prospective investors of Notes should be aware that the range of Notes that may be issued under the Programme is such that the following statements are not exhaustive with respect to the types of Notes that may be issued under the Programme and any particular Series of Notes may have additional risks associated with it that are not described below. Investment in the Notes may involve complex risks related to factors which include equity market risks and commodity market risks and may include interest rate, foreign exchange and/or political risks.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or the expected yield on the Notes 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.

Notes redeemable at Noteholders' election

If a Noteholder gives notice to redeem Notes early, there may be a time lag between that notice and the time at which the applicable Redemption Amount is determined in that period. There could be substantial movements in the Redemption Amount, but the redemption notice once given may not be withdrawn.

Credit Linked Notes

Credit Risk on Reference Entity

The Issuer may issue Notes which are credit linked securities linked to the performance of one or more third parties (a "**Reference Entity**") and certain obligations of such Reference Entity. The likelihood of a Credit Event occurring in respect of a Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of the Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Investors should note that such Notes differ from ordinary debt securities issued by the Issuer in that the amount of principal and interest payable by the Issuer is dependent on whether a credit event in respect of the Reference Entity has occurred. In certain circumstances as detailed in the Conditions as completed by the relevant Final Terms, the Notes will cease to bear interest meaning the amount paid to Noteholders on redemption could be less than their original investment amount and could be as low as zero.

Credit losses will be calculated for the purposes of the Notes irrespective of whether the Issuer or any of its affiliates has suffered an actual loss in relation to the Reference Entity or any obligations thereof. Neither the Issuer nor its affiliates is obliged to account for any recovery which it may subsequently make in relation to such Reference Entity or its obligations.

Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in the Notes as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation.

Limited Provision of information about Reference Entity and Conflicts of Interest

The Issuer has not provided nor will provide prospective investors of Notes with any information or advice with respect to the Reference Entity, nor has it made nor will it make any representation as to the credit quality of the relevant Reference Entity. The Issuer may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Reference Entity, which will not be disclosed to the holders of the Notes. The timing and limited scope of the information provided to Noteholders regarding the relevant Reference Entity and/or the occurrence of a Credit Event may affect the liquidity of the Notes and the ability of Noteholders to value the Notes accordingly. In addition, the

Issuer may have existing or future business relationships with the Reference Entity (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for Noteholders.

No interest in obligations of Reference Entity

Furthermore, the Notes will not represent a claim against the Reference Entity and, in the event of any loss, a Noteholder will not have recourse under the Notes to the Reference Entity.

Rights of the Calculation Agent and the Issuer

The Calculation Agent will exercise its rights under the terms of the Notes, including in particular the right to designate a Credit Event and the right to select obligations of the affected Reference Entity for valuation or delivery, in the interests of itself and of its affiliates, and not in the interests of investors in the Notes. The exercise of such rights in such manner, for example by the selection of the eligible obligations of the Reference Entity having the lowest possible market value, may result in an increased loss for holders of the Notes.

Until delivery of any Deliverable Obligation (as defined in "Credit Linked Derivatives Annex") is made to the relevant Noteholder, the Issuer or any person holding such asset on its behalf may amend the terms of such asset but is under no obligation to exercise any rights appertaining to such asset.

The Calculation Agent may require a Noteholder to provide a confidentiality undertaking prior to delivery of a Notice of Publicly Available Information (as defined in "Credit Linked Derivatives Annex"), failing which the Notice of Publicly Available Information shall not be required to be delivered to the Noteholder.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent shall (in the absence of manifest error) be final and binding on the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion and is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee (as defined in "Credit Linked Derivatives Annex"). In making any determinations expressed to be made by it, for example as to substitute Reference Obligations or Successors (as defined in "Credit Linked Derivatives Annex"), the Calculation Agent is under no obligation to the holders of the Notes, and will not be liable to account for any profit or other benefit which may accrue to it as a result of such determination.

The exercise of any option by the Issuer or determination by the Issuer of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Issuer shall be final and binding on the Noteholders and shall not be required to be notified to the Calculation Agent or the Noteholders. The Issuer shall act in its sole and absolute discretion and is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee.

Credit Observation Period

Holders of the Notes may suffer a loss of some or all of the principal amount of the Notes in respect of one or more Credit Events (as defined in "Credit Linked Derivatives Annex") that occur on or after the Credit Event Backstop Date (as defined in "Credit Linked Derivatives Annex") which may fall prior to the Trade Date or the Issue Date. Neither the Calculation Agent or the Issuer nor any of their respective affiliates has any responsibility to avoid or mitigate the effects of a Credit Event that has taken place prior to the Trade Date (being a date specified in the Final Terms or, as applicable, the Additional Conditions relating to the Notes) or the Issue Date (being a date specified in the Final Terms).

Deferral of Payments

In certain circumstances - for example where a Credit Event has occurred and the related credit loss has not been determined as at the relevant date for payment, where a potential Credit Event exists as at the scheduled maturity of the Notes, or pending a resolution of a Credit Derivatives Determinations

Committee payment of the redemption amount of the Notes and/or interest on the Notes may be deferred for a material period in whole or part without compensation to the holders of the Notes.

Valuation

If the Notes are cash settled, then, following the occurrence of a Credit Event, the Calculation Agent will be required to seek quotations in respect of selected obligations of the affected Reference Entity. Quotations obtained will be "bid-side" - that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealer. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cashflows. Quotations will be deemed to be zero in the event that no such quotations are available.

Where credit losses are determined on the basis of a market protocol, such losses may be greater than the losses which would have been determined in the absence of such protocol. If the Issuer, the Calculation Agent or any affiliate thereof participates in any auction for the purposes of such a protocol, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction and the value of the Notes.

"Cheapest-to-Deliver" risk

Since the Calculation Agent has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of a Reference Entity, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest market value that are permitted to be selected pursuant to the Notes. This could result in a lower recovery value and hence greater losses for investors in the Notes.

Credit Derivatives Determination Committee and Market Auctions

The institutions on the Credit Derivatives Determinations Committee owe no duty to the Noteholders and have the ability to make determinations that may materially affect the Noteholders, such as the occurrence of a Credit Event or a Succession Event. The Credit Derivatives Determinations Committee will be able to make determinations without action or knowledge of the Noteholders.

Noteholders will have no role in the composition of the Credit Derivatives Determinations Committee. Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committee and the Noteholders will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committee will change from time to time in accordance with the Rules (as defined in "Credit Linked Derivatives Annex"), as the term of an institution may expire or an institution may be required to be replaced. The Noteholders will have no control over the process of selecting institutions to participate on the Credit Derivatives Determinations Committee and, to the extent provided for in the Notes will be subject to the determinations made by such selected institutions in accordance with the Rules.

Noteholders will have no recourse against either the institutions serving on the Credit Derivatives Determinations Committee or the external reviewers. Institutions serving on the Credit Derivatives Determinations Committee and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the institutions on the Credit Derivatives Determinations Committee do not owe any duty to the Noteholders and the Noteholders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Noteholders should also be aware that institutions serving on the Credit Derivatives Determinations Committee have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committee is not obligated to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts. If the Issuer or the Calculation Agent or any of their respective affiliates serve as a member of the

Credit Derivatives Determinations Committee at any time, then they will act without regard to the interests of the Noteholders.

Noteholders are responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committee. Notices of questions referred to the Credit Derivatives Determinations Committee, meetings held to deliberate such questions and the results of binding votes will be published on the ISDA website and neither the Issuer, the Calculation Agent nor any of their respective affiliates shall be obliged to inform the Noteholders of such information (other than as expressly provided in respect of the Notes). Failure by the Noteholders to be aware of information relating to deliberations of a Credit Derivatives Determinations Committee will have no effect under the Notes and Noteholders are solely responsible for obtaining any such information.

Investors should read the Credit Derivatives Determinations Committees Rules as published by ISDA from time to time and reach their own views prior to making any investment decisions. Investors should however note that the Rules may be amended from time to time without the consent or input of the Noteholders and the powers of the Credit Derivatives Determinations Committee may be expanded or modified as a result.

If a Credit Derivatives Determinations Committee publishes auction settlement terms in respect of a Reference Entity (and the relevant seniority of the Reference Obligation), then the Calculation Agent may elect to determine the Final Price (as defined in "Credit Linked Derivatives Annex") of the Reference Obligation in accordance with such auction settlement terms to be consistent with the provisions of such auction settlement terms. The losses determined pursuant to a market auction process may be greater than the losses which would have been determined in the absence of the auction. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, the Issuer nor any of their respective affiliates has any responsibility for verifying that any auction price is reflective of current market values for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. If the Calculation Agent or the Issuer or any of their respective affiliate thereof participates in any auction for the purposes of such an auction, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction and the value of the Notes.

Modification of the terms of the Notes

The Calculation Agent may, following its determination that there has been a change in the prevailing market standard terms or market trading conventions that affects any hedging transaction, (such as, for example, but without limitation, if ISDA publishes changes to the standard terms on which credit default swap contracts affecting a Reference Entity are traded in the over-the-counter market or if the Credit Derivatives Determinations Committee amends the terms of the Credit Derivatives Determinations Committees Rules) modify the terms of the Notes to the extent necessary to preserve any consistency between the Notes and such market standard terms or market trading conventions.

Variable Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest on the Notes determined by reference to a variable or formula, to changes in the prices of securities, indices or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Issuer may also issue Notes with principal or interest on the Notes payable in one or more currencies, which is different from the currency in which the Notes are denominated. Prospective investors should be aware that as a result:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time than expected;
- (iv) they may lose all or a substantial portion of their initial investment amount;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

- (vi) if a Relevant Factor is applied to Notes 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 likely will be magnified; and
- (vii) 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.

Before buying Notes, prospective investors should carefully consider, among other things, (i) the trading price of the Notes, (ii) the value and volatility of the Relevant Factor, (iii) the probable range of final redemption amounts, (iv) any change(s) in interim interest rates and dividend yields, (v) any change(s) in currency exchange rates, (vi) the depth of the market or liquidity of the securities, indices or commodities and (vii) any related transaction costs. Past performance of the Relevant Factor cannot be considered to be either a guarantee of, or necessarily a guide to, future performance.

The Issuer has not provided nor will provide prospective investors of Notes with any information or advice with respect to the Relevant Factor and will make no representation or warranty about, or guarantee of, the performance of the Relevant Factor.

Emerging Markets Equity Linked Derivative Notes

The Issuer may issue Notes which are equity linked securities linked to the value of shares in an individual company or a basket of shares of several companies, in each case where the company or companies are incorporated in an emerging market.

The Issuer may issue Notes with principal or interest on the Notes determined by reference to the value of shares of an individual company or to a basket of shares of several companies. The market value for the Notes which reference shares will be affected by a number of factors independent of the creditworthiness of the Issuer and the value of the shares, including but not limited to, the volatility of the shares, the dividend rate on the shares, the financial results and prospects of the relevant share issuer, market interest and yield rates and the time remaining to any redemption date or the maturity date. In addition, the value of the shares will depend on a number of inter-related factors, including economic, financial and political events in countries where the relevant share issuer operates and elsewhere, including factors affecting capital markets generally and the stock exchanges on which the shares are traded. The price at which a Noteholder will be able to sell Notes prior to maturity may be at a discount, which could be substantial, from the accreted principal amount thereof, if, at such time, the market price of the shares is below, equal to or not sufficiently above the market price of the shares at the Issue Date of the Notes.

The Issuer may issue Notes with principal or interest on the Notes determined by reference to the value of depositary receipts that represent capital stock of an underlying share issuer. The market value for the Notes which reference depositary receipts will be affected by a number of factors independent of the creditworthiness of the Issuer and the value of the depositary receipts, including but not limited to, the volatility of the depositary receipts, the financial results and prospects of the relevant underlying share issuer, market interest and yield rates and the time remaining to any redemption date or the maturity date. The legal owner of the underlying shares is the custodian bank which at the same time is the issuing agent of the depositary receipts. Depending on the jurisdiction under which the depositary receipts have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the depositary receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free disposition could be issued with respect to the underlying shares or that such shares are realised within the framework of an enforcement measure against the custodian. If this is the case, the holder of the depositary receipt loses the rights under the underlying shares and the Notes would become worthless. Depositary receipts often represent shares of underlying share issuers based in emerging market jurisdictions.

The Issuer will not provide prospective investors of Notes with any information or advice with respect to the shares or the share issuer(s), or the depositary receipts, as the case may be, and shall make no representation as to the credit quality of the share issuer(s). The Issuer will make no representation or warranty about, or guarantee of, the performance of the shares or the depositary receipts, as the case may

be. Past performance of the shares, or the depositary receipts, as the case may be, cannot be considered to be either a guarantee of, or necessarily a guide to, future performance.

Before buying Notes, prospective investors should carefully consider, among other things, (i) the trading price of the Notes, (ii) the value and volatility of the shares, (iii) the probable range of redemption amounts, (iv) any change(s) in interim interest rates and dividend yields, (v) any change(s) in currency exchange rates, (vi) the depth of the market or liquidity of the shares and (vii) any related transaction costs.

Redemption proceeds based on proceeds of unwinding hedge less fees

The amount payable on redemption of the Notes is based on the amount that a Hypothetical Broker Dealer (as defined in paragraph 3 (*Definitions*) of the "Emerging Markets Equity Linked Derivatives Annex") would realise in unwinding the hedge positions it had entered into to hedge its risks in respect of the Notes. This may be less than the apparent market value of the shares underlying the Notes due to a number of factors, including illiquidity. In addition, various fees and costs will be deducted from the redemption proceeds as more particularly set out in the definition of Noteholder Deduction Amount as defined in paragraph 3 of the definitions of "Emerging Markets Equity Linked Derivatives Annex". These include any costs and taxes which would be incurred by a Hypothetical Broker Dealer in unwinding the hedge positions together with the Issuer's reasonable and good faith estimate of any taxes which may be incurred by the Issuer following redemption of the Notes in relation to any hedge position it may have entered into in respect of the Notes.

Maturity date may be postponed if hedges take longer than anticipated to unwind

Any date on which the Notes are due to be redeemed in whole or in part may be postponed if the Issuer determines that the period which would be required by a Hypothetical Broker Dealer to unwind its related hedge positions would be longer than the unwind period which was anticipated by the Issuer on the Issue Date. The Issuer will not compensate the Noteholders for any costs or losses incurred as a result of such a delay.

Risks associated with emerging markets

There are additional risks associated with the fact that the shares underlying the Notes are issued by entities, and listed on exchanges, located in emerging market jurisdictions. Emerging market shares are often more volatile than non-emerging market shares and the value of the shares can be adversely affected by political, physical, geographical or financial instability in the relevant jurisdiction. At any time there may be only a very limited or no market for the shares. This will have a materially detrimental effect on the market value of the Notes. If this happens during an unwind period, the amount which Noteholders receive at redemption will be significantly reduced. See also "*There are significant risks in purchasing Notes which reference one or more emerging market Relevant Factor(s)*" below.

The Notes contain various triggers in respect of emerging markets related risks, set out in the section "Change in Market Conditions Events" (as set out in "Emerging Markets Equity Linked Derivatives Annex"). The occurrence of any of these triggers could result in the terms of the Notes being altered, the Notes being redeemed early or redeemed in an amount which is significantly less than originally invested (and in certain circumstances, zero).

In addition, the currency in which the shares are denominated is likely to be different from the currency in which payments are made under the Notes. There are additional risks associated with emerging markets currencies, including the volatility of the exchange rate and the increased likelihood that the Issuer will encounter difficulties in carrying out the relevant currency conversions or extracting currency from the emerging market jurisdiction. The Notes provide protections for the Issuer in such circumstances, which protections may result in either delays in the Noteholders receiving payments under the Notes or payments being made in the emerging markets currency rather than the currency in which the Notes are denominated.

If, in the period leading up to the scheduled maturity date of the Notes, the Issuer determines that a Hypothetical Broker Dealer would not be able to unwind all of its hedge positions in respect of the Notes, the Issuer can elect to replace some or all of the redemption proceeds with delivery of the relevant shares themselves. If the Issuer elects to follow this route, it will notify the Noteholders in accordance with the

notice provisions of the Notes. The Noteholders must, within three months of such a notification, provide the Issuer with certain information and pay to the Issuer certain delivery costs. If a Noteholder fails to comply with the Delivery Conditions (as defined in paragraph 3 (*Definitions*) of the "Emerging Markets Equity Linked Derivatives Annex"), such Noteholder will permanently lose all of its rights to the shares or the redemption proceeds represented by those shares and the Issuer shall have no further obligations in respect of the Notes held by such Noteholder.

Stop Loss Event

The Notes may provide that if the closing price (on the relevant exchange) of the shares falls by 90 per cent. or more as compared with the price on the Issue Date, the Issuer is entitled to elect to redeem the Notes prior to the scheduled maturity date and the amount which Noteholders receive in such event may be significantly less than originally invested. The Issuer will not compensate the Noteholders for any losses or costs incurred as a result of such early redemption.

Physical Delivery of Shares

The Issuer may issue Notes which shall, in the case of physically settled equity linked notes, be redeemable by the Issuer by delivery of a share amount. There is no assurance that the value of the shares received by the Noteholders will not be less than the nominal amount of the Notes. Accordingly, investment in the Notes will bear the negative market risk of a direct equity investment and prospective investors should take advice accordingly.

In the event that the Issuer redeems the Notes by the delivery of a share amount, there may be a time lag before the date on which the Noteholders are registered as shareholders of the shares. In such event Noteholders may receive the relevant shares later than they might otherwise anticipate.

There are significant risks in purchasing Notes which reference one or more emerging market Relevant Factor(s)

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

There is generally foreign exchange currency exposure in respect of Notes which provide payment to be made in a currency which is different to the currency of the Relevant Factor(s)

Where the Conditions of the Notes provide that payment under such Notes will be made in a currency which is different from the currency of the Relevant Factor, and such Notes do not have a "quanto" feature (i.e. a feature that hedges the currency risk), investors of such Notes may be exposed not only to the performance of the Relevant Factor but also to the performance of such foreign currency, which cannot be predicted. Investors should be aware that foreign exchange rates are, and have been, highly volatile and determined by 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 (e.g. 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). Foreign exchange fluctuations between an investor's home currency and the relevant currency in which the repayment amount of the Notes is denominated may affect purchasers who intend to convert gains or losses from the exercise or sale of Notes into their home currency.

Notes issued at a substantial discount or premium

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

Risk factors relating to the market

The Issue Price of the Notes may be more than the market value of the Notes

The issue price in respect of any Notes may be more than the market value of such Notes as at the issue date, and more than the price, if any, at which the Notes may be sold in secondary market transactions. In particular, the issue price in respect of Notes may take into account amounts with respect to commissions relating to the issue and sale of such Notes and amounts relating to the hedging of the Issuer's obligations under such Notes.

The secondary market generally

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

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the specified currency in accordance with the Conditions of the Notes. This would present certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency relative to the specified currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or return on their initial invested amount than expected, or no interest or return on their initial invested amount.

Interest rate risk

Investment in floating rate Notes (being any Notes in respect of which the "Floating Rate Note Provisions" are specified to be applicable in the relevant Final Terms, (the "**Floating Rate Notes**")) and fixed rate Notes (being any Notes in respect of which the "Fixed Rate Note Provisions" are specified to be applicable in the relevant Final Terms, (the "**Fixed Rate Notes**")) involves the risk that subsequent changes in market interest rates may adversely affect the value of Floating Rate Notes and Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign ratings to the Notes. 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 Notes. The ratings may be lower were the statement of support from the Standard Bank Group not in place. 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.

Risk factors relating to potential conflicts of interest

The Issuer and its affiliates may act in a number of capacities in respect of Notes issued under the Programme including, without limitation, Dealer and Calculation Agent. The Issuer and its affiliates acting in such capacities in connection with such Notes shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

As the Calculation Agent will generally be the Issuer or an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the investors, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. For example, the Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to a Series of Notes have occurred and (ii) to determine any resulting adjustments and calculations or substitutions as described in such conditions. Potential investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Notes. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest error) shall be binding on the relevant Issuer and all investors.

The Issuer or certain of its affiliates may from time to time, by virtue of its status as underwriter, advisor or otherwise, possess or have access to information relating to the Notes, the underlying asset(s) and any derivative securities referencing them. None of the Issuer or its affiliates will be obliged to disclose any such information to a purchaser of the Notes.

The Issuer and/or other affiliates may in the ordinary course of business: (i) effect transactions for its own account or for the account of its customers and hold long or short positions in the underlying asset(s) or related derivatives; (ii) in connection with an offering of Notes, enter into one or more hedging transactions with respect to the underlying assets(s) or related derivatives; and/or (iii) in connection with such hedging or market-making activities or with respect to proprietary or other trading activities, enter into transactions in the underlying asset(s) or related derivatives which may adversely (or positively) affect the price, liquidity or value of the relevant Notes and which could therefore be adverse to the interests of the relevant holders.

The Issuer and its affiliates in their various capacities in connection with the Notes may also enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2013, together with the audit report thereon;
2. the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2014 together with the audit report thereon;
3. the terms and conditions set out on pages 25 to 51 under the heading "*Terms and Conditions of the Notes*", the credit linked derivatives annex set out on pages 52 to 97 under the heading "*Credit Linked Derivatives Annex*", the emerging markets equity linked derivatives annex set out on pages 102 to 118 under the heading "*Emerging Markets Equity Linked Derivatives Annex*", the currency annex set out on pages 119 to 136 under the heading "*Currency Annex*" and the rate option annex set out on pages 137 to 138 under the heading "*Rate Option Annex*", of the base prospectus dated 20 August 2013 (the "**2013 Base Prospectus**");
4. the terms and conditions set out on pages 29 to 53 under the heading "*Terms and Conditions of the Notes*", the equity linked derivatives annex set out on pages 211 to 228 under the heading "*Equity Linked Derivatives Annex*", the credit linked derivatives annex set out on pages 229 to 284 under the heading "*Credit Linked Derivatives Annex*", the commodity linked derivatives annex set out on pages 290 to 303 under the heading "*Commodity Linked Derivatives Annex*", the emerging markets index linked derivatives annex set out on pages 304 to 318 under the heading "*Emerging Markets Index Linked Derivatives Annex*", the emerging markets equity linked derivatives annex set out on pages 319 to 336 under the heading "*Emerging Markets Equity Linked Derivatives Annex*" and the currency annex set out on pages 337 to 364 under the heading "*Currency Annex*", of the base prospectus dated 28 June 2012 (the "**2012 Base Prospectus**"); and
5. the terms and conditions set out on pages 29 to 52 under the heading "*Terms and Conditions of the Notes*", the equity linked derivatives annex set out on pages 202 to 219 under the heading "*Equity Linked Derivatives Annex*", the credit linked derivatives annex set out on pages 220 to 275 under the heading "*Credit Linked Derivatives Annex*", the commodity linked derivatives annex set out on pages 281 to 294 under the heading "*Commodity Linked Derivatives Annex*", the emerging markets index linked derivatives annex set out on pages 295 to 309 under the heading "*Emerging Markets Index Linked Derivatives Annex*", the emerging markets equity linked derivatives annex set out on pages 310 to 327 under the heading "*Emerging Markets Equity Linked Derivatives Annex*" and the currency annex set out on pages 328 to 356 under the heading "*Currency Annex*", of the base prospectus dated 30 August 2011 (the "**2011 Base Prospectus**").

Such documents have been previously published or are published simultaneously with this Base Prospectus and have been filed with the Irish Stock Exchange. Copies of the 2013 Base Prospectus, the 2012 Base Prospectus and the 2011 Base Prospectus are available for viewing at http://www.ise.ie/debt_documents/Base%20Prospectus_9cc3967d-2354-4f01-821f-27d239400268.PDF; http://www.ise.ie/debt_documents/Base%20Prospectus_73341cac-78f2-4e3a-821f-f6a21565accb.PDF; and http://www.ise.ie/debt_documents/Base%20Prospectus_e8e1406d-e2ad-45c8-8615-9ab3ad551c1d.PDF, respectively.

Any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base 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, except as so modified or superseded, constitute a part of this Base Prospectus.

Information contained in the documents incorporated by reference other than information listed in the table below is not specifically relevant to an investor and is for information purposes only, and does not form part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained without charge from the registered office of the Issuer which is 20 Gresham Street, London EC2V 7JE.

The audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2014 are available for viewing at <https://www.icbcstandardbank.com/CorporateSite/AboutUs/InvestorRelations>.

The table below sets out the relevant page references for the audited consolidated annual statements for the financial years ended 31 December 2013 and 31 December 2014 as set out in the Issuer's Annual Report.

**Audited consolidated annual financial statements of the
Issuer for the financial year ended 31 December 2014**

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**Audited consolidated annual financial statements of the
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TERMS AND CONDITIONS OF THE NOTES

The following (including the Annexes hereto), is the text of the terms and conditions that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms (and, in the case of a Series Prospectus, any applicable schedule or annex thereto), shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Where there are references to Final Terms in these Terms and Conditions, these references shall be deemed to include references to Series Prospectus (as defined in the Base Prospectus in relation to the Notes) when applicable. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes.

The notes ("**Notes**") are issued in series (each a "**Series**") and each Series may comprise of one or more tranches ("**Tranches**" and each a "**Tranche**") of Notes. The Notes are issued with the benefit of an amended and restated deed of covenant (as amended or supplemented as at the Issue Date, the "**Deed of Covenant**") dated on or about 21 May 2015 executed by the Issuer. A Paying Agency Agreement (as amended or supplemented as at the Issue Date) dated on or about 21 May 2015 has been entered into in relation to the Notes between the Issuer and Deutsche International Corporate Services (Ireland) Limited as Paying Agent (the "**Paying Agent**"). All Tranches of Notes comprising the same Series will be subject to identical terms, other than in respect of the Issue Date or the Interest Commencement Date, if applicable (each as specified in the applicable Final Terms). Each Series will be the subject of final terms (each a set of "**Final Terms**", which term also includes reference to Series Prospectus (as defined in the Base Prospectus relating to the Notes) when applicable) endorsed on the Notes, a copy of which will be available for inspection by any holder of such Notes at the specified UK office (as defined below).

References in these terms and conditions (the "**Conditions**") to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Programme, and references to "Coupons" (as defined below) are to Coupons relating to Notes of the relevant Series.

Certain capitalised terms used in these Conditions are defined in Condition 4.10 (*Definitions*) and elsewhere in these Conditions. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (*Redemption, Purchase Options and Physical Delivery*) or any amendment or supplement to it and (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 (*Payments*) or any amendment or supplement to it.

1. **Form, Denomination and Title**

1.1 **Form and Denomination**

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown in the Final Terms **provided that** in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Variable Linked Interest Note or a Dual Currency Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis and Redemption/Payment Basis shown in the Final Terms.

1.2 **Bearer Notes**

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate talons) 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 Conditions are not applicable.

1.3 **Registered Notes**

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2.2 (*Exercise of Options or Partial Redemption in respect of Registered Notes*), each Certificate shall represent the entire holding of Registered Notes by the same holder.

1.4 **Title**

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register (the "**Register**") that the Issuer shall keep or shall procure to be kept by any person appointed as registrar and specified in the Final Terms (in that capacity, the "**Registrar**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, 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 interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

2. **Transfers of Registered Notes**

2.1 **Transfer of Registered Notes**

The Final Terms may specify that the Registered Notes of any Series may be transferred only with the prior written consent of the Issuer. One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor **provided that** in the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes set out in the Schedule to the Deed of Covenant. The regulations may be changed by the Issuer, with the prior written approval of the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

2.2 **Exercise of Options or Partial Redemption in respect of Registered Notes**

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new 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 Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

2.3 **Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2.1 (*Transfer of Registered Notes*) or 2.2 (*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 Exercise Notice (as defined in Condition 5.6 (*Redemption at the Option of Noteholders*)) and

surrender of the Certificate for exchange together with satisfaction of any other requirements imposed by these Conditions. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or 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, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2.3, "*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 Registrar.

2.4 Transfer Free of Charge

Transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, 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 Issuer may require).

2.5 Closed Periods

No Noteholder may require the transfer of a Registered Note of any Series to be registered (a) during the period of 15 days ending on the due date for redemption of that Note, (b) during the period of 15 days prior to the date on which Notes may be called for redemption by the Issuer pursuant to Condition 5.5 (*Redemption at the Option of the Issuer*), (c) after any such Note has been called for redemption or (d) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6.2 (*Registered Notes*)).

3. Status

The Notes and Coupons relating to them constitute direct, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

4. Interest and other Calculations and Definitions

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its Calculation Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4.8 (*Calculations*).

4.2 Interest on Floating Rate Notes and Variable Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Variable Linked Interest Note bears interest on its Calculation Amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4.8 (*Calculations*).

(b) Business Day Convention

If any date referred to in these 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 had it not been subject to adjustment (the "**Floating Rate Business Day Convention**"), (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day (the "**Following Business Day Convention**"), (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 (the "**Modified Following Business Day Convention**") or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day (the "**Preceding Business Day Convention**").

(c) **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 below and the provisions below relating to either ISDA Determination, Screen Rate Determination or Rate Option Annex Determination shall apply, depending upon which is specified to apply in the Final Terms.

(i) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (i), "**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:

- (A) the Floating Rate Option is as specified in the Final Terms;
- (B) the Designated Maturity is a period specified in the Final Terms; and
- (C) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified in the Final Terms.

For the purposes of the above sub-paragraph, "**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.

(ii) **Screen Rate Determination for Floating Rate Notes**

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

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate for the Designated Maturity which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of the London inter-bank offered rate ("**LIBOR**") or Brussels time in the case of the Euro-zone interbank offered rate ("**EURIBOR**") 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.

- (B) if the Relevant Screen Page is not available or if sub-paragraph (A)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub

paragraph (A)(2) 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels 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; and

- (C) if paragraph (B) 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency 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 inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank 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 as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest 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 or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iii) **Rate Option Annex Determination for Floating Rate Notes**

- (A) Where Rate Option Annex Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Final Terms shall specify which Benchmark Rate is applicable and the Rate of Interest for each Interest Accrual Period shall be determined in accordance with the provisions set out for such Benchmark Rate in Part 2 of the Rate Option Annex.
- (B) Where, for any reason, it is not possible to determine the Rate of Interest for the relevant Benchmark Rate in accordance with the provisions of the Rate Option Annex, then such Rate of Interest shall be determined by the Calculation Agent in its sole and absolute discretion.

(d) **Interest Amount for Variable Linked Interest Notes**

The Interest Amount in respect of Variable Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified below and interest will accrue by reference to a variable or formula as specified below.

- (i) Where "**Variable Linked Interest – Standard**" is specified as applicable in the Final Terms, the Interest Amount will be determined in accordance with the following formula:

Calculation Amount multiplied by Rate multiplied by Day Count Fraction multiplied by
FX Performance (if applicable)

Where:

"**Rate**" means the interest rate specified in the Final Terms;

"**FX Performance**" means FX Rate (0) divided by FX Rate (T) where:

"**FX Rate (0)**" means the rate specified in the Final Terms; and

"**FX Rate (T)**" means the Settlement Rate.

Provided that if a Disruption Event has occurred, the Interest Amount, if any, shall be adjusted in accordance with the Currency Annex and subject to the FX Break Costs adjustments pursuant to the Currency Annex.

Where "**Additional Accrued Interest**" is specified as applicable in the Final Terms, in relation to the Interest Period beginning on the Interest Commencement Date, the Noteholders will be entitled to receive the Specified Currency equivalent (as determined by the Issuer at its discretion) of any interest which accrued on the Reference Obligation from the Additional Accrued Interest Date prior to the Interest Commencement.

- (ii) Where "**Variable Linked Interest – Pass Through (Standard)**" is specified as applicable in the Final Terms, the Interest Amount will be determined in accordance with the following formula:

Interest Calculation Amount divided by the Relevant Portion

Provided that if a Disruption Event has occurred, the Interest Amount, if any, shall be adjusted in accordance with the Currency Annex and subject to the FX Break Costs adjustments pursuant to the Currency Annex.

Where "**Additional Accrued Interest**" is specified as applicable in the Final Terms, in relation to the Interest Period beginning on the Interest Commencement Date, the Noteholders will be entitled to receive the Specified Currency equivalent (as determined by the Issuer at its discretion) of any interest which accrued on the Reference Obligation from the Additional Accrued Interest Date prior to the Interest Commencement Date in addition to the Specified Currency equivalent of any interest which accrued on the Reference Obligation for such Interest Period.

- (iii) Where "**Variable Linked Interest – Pass Through (FX)**" is specified as applicable in the Final Terms, the Interest Amount will be determined in accordance with the following formula:

(Interest Calculation Amount divided by the Settlement Rate) divided by the Relevant
Portion multiplied by Pass Through Proportion

Provided that if a Disruption Event has occurred, the Interest Amount, if any, shall be adjusted in accordance with the Currency Annex and subject to the FX Break Costs adjustments pursuant to the Currency Annex.

Where "**Additional Accrued Interest**" is specified as applicable in the Final Terms, in relation to the Interest Period beginning on the Interest Commencement Date, the Noteholders will be entitled to receive the Specified Currency equivalent (as determined by the Issuer at its discretion) of any interest which accrued on the Reference Obligation from the Additional Accrued Interest Date prior to the Interest Commencement Date in addition to the Specified Currency equivalent of any interest which accrued on the Reference Obligation for such Interest Period, and multiplied by the Additional Accrued Interest Proportion.

- (iv) For the purposes of sub-paragraphs (i), (ii) and (iii) above, the following defined terms shall have the definitions set out below:

"**Currency Annex**" means the Currency Annex annexed to these Conditions.

"**Disruption Event**" has the meaning given to it in the Currency Annex.

"**Interest Calculation Amount**" means the amount which the Issuer determines that a holder of the Specified Nominal Amount of the Reference Obligation would receive for the relevant interest period in respect of the Reference Obligation. Such amount shall be net of all taxes including withholding taxes (if any), duties, fees or commissions payable by a holder of the Reference Obligation.

"**Rate Option Annex**" means the Rate Option Annex annexed to these Conditions.

"**Reference Obligation**" means each obligation specified as such in the Final Terms or any Substitute Reference Obligation (as defined in the Credit Linked Derivatives Annex).

"**Reference Rate**" means LIBOR or EURIBOR, as specified in the Final Terms.

"**Relevant Portion**" means the Aggregate Nominal Amount of the Notes divided by the Calculation Amount.

"**Settlement Rate**" means such foreign exchange rate between the Reference Obligation Currency and the Settlement Currency as determined on the Valuation Date by the Calculation Agent in its sole and absolute discretion by reference to the Settlement Rate Option.

"**Settlement Rate Option**" means, in relation to the making of any FX Calculation (as defined in the Currency Annex), the method of determining the Settlement Rate specified in the Final Terms, which may either be (i) by reference to any of the terms defined in Section 4.5 and Section 4.6 of Annex A to the 1998 FX and Currency Option Definitions published by the International Swaps and Derivatives Association, Inc. (as amended and supplemented up to and including the Issue Date), which terms shall be specified in the Final Terms (in which case, the terms of such Section 4.5 and Section 4.6 shall, to the extent they are used in defining a Settlement Rate Option, be deemed to be incorporated in these Conditions) ("**FX and Currency Option Determination**"); (ii) Calculation Agent Determination of Settlement Rate; (iii) Issuer Discretion, (iv) Reference Dealer Poll or (v) by reference to Part 1 of the Rate Option Annex and the relevant Settlement Option Rate specified in the Final Terms ("**Rate Option Annex Determination**"). Where, for any reason, it is not possible to determine the Settlement Rate in accordance with the relevant method specified in the Final Terms, then the Settlement Rate shall be determined by the Calculation Agent in its sole and absolute discretion.

"**Specified Nominal Amount**" means the amount specified as such in the Final Terms.

"**Valuation Date**" means each date specified as such in the Final Terms.

4.3 **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 Maturity Date, 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 described in Condition 5.4(a)(ii) (*Early Redemption – Zero Coupon Notes*)).

4.4 **Dual Currency Notes**

In the case of Notes in respect of which the "Dual Currency Note Provisions" are specified to be applicable in the relevant Final Terms ("**Dual Currency Notes**") the Settlement Currency shall be different from the Specified Currency of the Notes and any Interest Amount or Redemption Amount shall be calculated by multiplying the Interest Amount or Redemption Amount, as applicable, in the Specified Currency of the Notes calculated in accordance with the relevant provisions of Condition 4 (*Interest and Other Calculations and Definitions*) or Condition 5 (*Redemption, Purchase Options and Physical Delivery*) by the Settlement Rate (as defined in Condition 4.2(d)(iv)) (**provided that** references in the definition of "Settlement Rate" to the "Valuation Date" shall be deemed to refer to such date and time as the Calculation Agent deems appropriate). For the purposes of this Condition 4.4, all references in these Conditions to "Reference Obligation Currency" shall be deemed to be references to "Specified Currency".

4.5 **Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest or by reference to calculation of the Interest Amount, in each case in the manner provided in this Condition 4 (*Interest and other Calculations and Definitions*) to the Relevant Date.

4.6 **Occurrence of Specified Event**

The obligation of the Issuer to pay interest on any interest-bearing Note that is a Specified Event Linked Note is subject, at all times, to the operation of Condition 5.2 (*Redemption of Specified Event Linked Notes following a Specified Event*).

4.7 **Margin, Maximum/Minimum Rates of Interest and Rounding**

- (a) If any Margin is specified in the Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4.2 (*Interest on Floating Rate Notes and Variable Linked Interest Notes*) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (b) If any Maximum Rate of Interest or Minimum Rate of Interest or Maximum Interest Amount or Minimum Interest Amount is specified in the Final Terms, then any Rate of Interest or Interest Amount shall be subject to such maximum or minimum, as the case may be.
- (c) For the purposes of any calculations required pursuant to these Conditions, (x) 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), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) 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.

4.8 **Calculations**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be calculated by the Calculation Agent and shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the Final Terms, 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 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 for the period for which interest is required to be calculated.

For the avoidance of doubt, in relation to any amount which is payable under these Conditions in respect of a Note and which is calculated by reference to a Calculation Amount, references to "Note" shall mean to a Note having a nominal amount (or face value) equal to the Calculation Amount.

Payments of interest in respect of the Notes will be made in the Specified Currency, unless the Dual Currency Note Provisions are specified in the relevant Final Terms to be applicable in respect of payments of interest, in which case payments of interest in respect of the Notes will be made in the Settlement Currency in accordance with the provisions of Condition 4.4.

4.9 **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption 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, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption 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 the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Issuer, 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 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 Condition 4.2(b) (*Interest on Floating Rate Notes and Variable Linked Interest Notes – 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 payable under Condition 10 (*Events of Default*), 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 Condition 4.9 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 upon all parties.

4.10 **Definitions**

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

"Additional Accrued Interest Date" means the date specified as such in the Final Terms.

"Benchmark Rate" means each interest rate set out in Part 2 of the Rate Option Annex.

"Broken Amount" means the amount specified as such in the applicable Final Terms.

"Business Centre" means the city or cities specified as such in the relevant Final Terms.

"Business Day" means:

- (a) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for such currency; and/or
- (b) in the case of euro, a day on which the TARGET2 system is operating (a **"TARGET Business Day"**); and/or
- (c) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"Business Day Convention" means one of the conventions mentioned in Condition 4.2(b) (*Interest on Floating Rate Notes and Variable Linked Interest Notes – Business Day Convention*) for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day as specified in the Final Terms.

"Calculation Agent" means ICBC Standard Bank Plc or any other person specified as such in the Final Terms.

"Calculation Agent Determination of Settlement Rate" means, if specified as the Settlement Rate Option in the Final Terms, or deemed to be applicable under these Conditions, the Calculation Agent will determine the Settlement Rate (or a method of determining the Settlement Rate), taking into consideration all available information that in good faith it deems relevant.

"Calculation Amount" means a nominal amount of the Notes equal to the Specified Denomination (unless a different amount is specified in the Final Terms, in which case, such amount).

"Coupon(s)" means the interest coupons relating to interest bearing Notes in bearer form.

"Couponholder(s)" means the holder of any Coupons and any Talons relating to such Coupons.

"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 Interest Accrual Period, the **"Calculation Period"**):

- (a) if **"Actual/365"** or **"Actual/Actual-ISDA"** is specified as applicable in the Final Terms, 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);
- (b) if **"Actual/365 (Fixed)"** is specified as applicable in the Final Terms, the actual number of days in the Calculation Period divided by 365;
- (c) if **"Actual/360"** is specified as applicable in the Final Terms, the actual number of days in the Calculation Period divided by 360;

- (d) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified as applicable in the Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on a formula basis as follows:

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

"**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;

- (e) if "**30E/360**" or "**Eurobond Basis**" is specified as applicable in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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;

- (f) if "**30E/360 (ISDA)**" is specified as applicable in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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 Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30;

- (g) if "**Actual/Actual-ICMA**" is specified as applicable in the Final Terms,
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Determination Period and (y) the actual number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date(s) specified as such in the Final Terms or, if none is so specified, the Interest Payment Date(s);

- (h) if "**Actual/364**" is specified as applicable in the Final Terms, the actual number of days in the Calculation Period divided by 364; and
- (i) if "**Actual/252**" is specified as applicable in the Final Terms, the actual number of days in the Calculation Period divided by 252.

"**Designated Maturity**" has the meaning specified in the relevant Final Terms.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Final Terms.

"Fixed Rate Note(s)" means any Note in respect of which the "Fixed Rate Note Provisions" are specified to be applicable in the relevant Final Terms.

"Floating Rate Business Day Convention" shall have the meaning set out in Condition 4.2(b) (*Interest on Floating Rate Notes and Variable Linked Interest Notes – Business Day Convention*).

"Floating Rate Note(s)" means any Note in respect of which the "Floating Rate Note Provisions" are specified to be applicable in the relevant Final Terms.

"Following Business Day Convention" shall have the meaning specified in Condition 4.2(b) (*Interest on Floating Rate Notes and Variable Linked Interest Notes – Business Day Convention*).

"holder" means, in relation to a Note, Coupon or Talon, the bearer of any Bearer Note, Coupon or Talon or, in relation to a Registered Note, the person in whose name the Registered Note is registered.

"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 determined in accordance with this Condition 4 and which, in the case of Fixed Rate Notes, if the same is specified in the Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the Final Terms as being payable on the Interest Payment Date ending 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 determined in accordance with this Condition 4.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the Final Terms.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling 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 neither Sterling nor euro 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(s)" means each date specified in the relevant Final Terms.

"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 date specified in the Final Terms or, if no Interest Period Date is specified in the Final Terms, each Interest Payment Date.

"ISDA Definitions" means the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes, as published by the International Swaps and Derivatives Association, Inc..

"Issuer Discretion" means such rate as is selected by the Issuer in its sole and absolute discretion.

"Margin" means the margin specified as such in the relevant Final Terms.

"Maturity Date" means the date specified as such in the relevant Final Terms unless a Specified Event and/or a Disruption Event has occurred in which case the provisions of the Credit Linked Derivatives Annex or the Currency Annex shall apply, as applicable.

"Maximum Interest Amount" has the meaning given to it in the relevant Final Terms.

"Maximum Rate of Interest" has the meaning given in the relevant Final Terms.

"Minimum Interest Amount" has the meaning given to it in the relevant Final Terms.

"Minimum Rate of Interest" has the meaning given in the relevant Final Terms.

"Modified Following Business Day Convention" shall have the meaning specified in Condition 4.2(b) (*Interest on Floating Rate Notes and Variable Linked Interest Notes – Business Day Convention*).

"Noteholder" means the bearer of any Bearer Note, or the person in whose name a Registered Note is registered (as the case may be).

"Preceding Business Day Convention" shall have the meaning specified in Condition 4.2(b) (*Interest on Floating Rate Notes and Variable Linked Interest Notes – Business Day Convention*).

"Rate of Interest" means the rate of interest payable from time to time in respect of the Note and that is either specified in the Final Terms or calculated in accordance with the provisions in these Conditions and the Final Terms.

"Redemption Amount" means, with respect to a Note, the amount payable by the Issuer upon redemption thereof in accordance with any of the provisions of Condition 5 (*Redemption, Purchase Options and Physical Delivery*).

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

"Reference Dealer Poll" means the currency exchange rate determined by the Calculation Agent on the basis of firm quotations, for the sale of Reference Obligation Currency and purchase of Settlement Currency for a non-resident party, provided by three Reference Market Dealers (which may include the Calculation Agent or its affiliates), selected by the Calculation Agent, as purchaser of the Reference Obligation Currency and seller of Settlement Currency (where Settlement Currency is payable outside the country of the Reference Obligation Currency) in an amount corresponding to the amount of Reference Obligation Currency to be converted on the applicable Valuation Date.

"Reference Market Dealer" means a major bank in the relevant money market.

"Reference Obligation Currency" means the currency in which the Reference Obligation is denominated or such other currency as is specified in the Final Terms.

"Relevant Date" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the Final Terms.

"Settlement Currency" means the currency specified in the Final Terms.

"Settlement Option Rate" means each rate set out in Part 1 of the Rate Option Annex.

"Specified Currency" means the currency specified as such in the Final Terms or, if none is specified, the currency in which the Notes are denominated.

"Talons" means any talons for further Coupons.

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto.

"Variable Linked Interest Note(s)" means any Note in respect of which the "Variable Linked Interest Note Provisions" are specified to be applicable in the relevant Final Terms.

4.11 **Calculation Agent**

The Calculation Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of, agency or trust with the Noteholders or Couponholders. The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is outstanding. The Issuer itself may act as Calculation Agent. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, or make any determination, calculation or valuation required under or pursuant to these Conditions of the Notes, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the inter-bank 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.

4.12 **Determinations by the Calculation Agent**

All determinations, calculations or valuations made by the Calculation Agent shall (in the absence of manifest error) be final and binding on all Noteholders. The Calculation Agent shall not be liable for any loss, liability, cost, claim, action, demand or expense (including without limitation any costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) arising out of or in relation to or in connection with its appointment or the exercise of its functions in relation to any Notes, except as such may result from its own wilful default or bad faith or that of its officers or agents. Nothing contained herein shall prevent the Calculation Agent from dealing in any Notes or from entering into any related transactions, including without limitation, any swap or hedging transactions, with the Issuer or any Noteholder.

5. **Redemption, Purchase Options and Physical Delivery**

5.1 **Final Redemption**

- (a) Unless previously redeemed or purchased and cancelled as provided in this Condition 5 (*Redemption, Purchase Options and Physical Delivery*), subject always to Condition 5.2 (*Redemption of Specified Event Linked Notes following a Specified Event*) in the case of a Specified Event Linked Note, each Note of a Series shall be finally redeemed on the Maturity Date at its Final Redemption Amount **provided however that**, (i) in the case of a Specified Event Linked Note, if a Specified Event has occurred on or prior to the Maturity Date, the Notes of such Series shall be redeemed as specified in Condition 5.2 (*Redemption of Specified Event Linked Notes following a Specified Event*), and (ii) if a Disruption Event occurs, the provisions of the Currency Annex will apply.

Payments of principal in respect of the Notes will be made in the Specified Currency, unless the Dual Currency Note Provisions are specified in the relevant Final Terms to be applicable in respect of payments of principal, in which case payments of principal in respect of the Notes will be made in the Settlement Currency in accordance with the provisions of Condition 4.4.

- (b) Unless one of the formulae set out below is specified to apply in the Final Terms, the Final Redemption Amount per Calculation Amount shall be equal to 100 per cent. of such Calculation Amount. Notwithstanding anything to the contrary herein, in the event that (i) the Final Terms specify that the Credit Linked Derivatives Annex applies and an Event Determination Date occurs, or (ii) the Final Terms specify that the Emerging Markets Equity Linked Derivatives Annex applies, the Final Redemption Amount shall be calculated in accordance with the relevant Annex.

If any Minimum Redemption Amount or Maximum Redemption Amount is specified in the Final Terms, the Final Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (i) Where "**Redemption – Pass Through (Standard)**" is specified as applicable in the Final Terms, the Final Redemption Amount per Calculation Amount shall be an amount determined by the Calculation Agent in accordance with the following formula:

Redemption Calculation Amount divided by the Relevant Portion

- (ii) Where "**Redemption – Pass Through (FX)**" is specified as applicable in the Final Terms, the Final Redemption Amount per Calculation Amount shall be an amount determined by the Calculation Agent in accordance with the following formula:

(Redemption Calculation Amount divided by Settlement Rate) divided by the Relevant Portion

Provided that if a Disruption Event has occurred, the Final Redemption Amount in relation to the Notes, if any, shall be adjusted in accordance with the Currency Annex.

- (iii) Where "**Redemption – Currency**" is specified as applicable in the Final Terms, and in respect of a Note where the Credit Linked Derivatives Annex is specified to apply, subject to no Event Determination Date having occurred, the Final Redemption Amount per Calculation Amount shall be an amount determined by the Calculation Agent in accordance with the following formula:

Calculation Amount multiplied by FX Performance

Where:

"**FX Performance**" means FX Rate (0) divided by FX Rate (T) where:

"**FX Rate (0)**" means the rate specified in the Final Terms; and

"**FX Rate (T)**" means the Settlement Rate.

- (iv) For the purposes of sub-paragraphs (i), (ii) and (iii) above, the following defined terms shall have the definitions set out below:

"**Redemption Calculation Amount**" means the amount which the Issuer determines that a holder of the Specified Nominal Amount of the Reference Obligation would receive on the maturity date of the Reference Obligation. Such amount shall be net of all taxes including withholding taxes (if any), duties, fees or commissions payable by a holder of the Reference Obligation.

"**Relevant Portion**" has the meaning given to it in Condition 4.2(d)(iv).

"**Settlement Rate**" has the meaning given to it in Condition 4.2(d)(iv).

"**Settlement Rate Option**" has the meaning given to it in Condition 4.2(d)(iv).

"**Specified Nominal Amount**" has the meaning given to it in Condition 4.2(d)(iv).

- (v) Where "**Redemption – CLN**" is specified as applicable in the Final Terms, subject to no Credit Event having occurred, the Final Redemption Amount per Calculation Amount shall be equal to 100 per cent. of such Calculation Amount.

5.2 **Redemption of Specified Event Linked Notes following a Specified Event**

- (a) Upon the occurrence of a Specified Event and the satisfaction of any conditions that may be specified in the relevant Annex as completed by the Final Terms, the Issuer may redeem all but not some only of the Notes in accordance with the Settlement Basis and the terms of such relevant Annex.
- (b) If the Notes are redeemed in accordance with this Condition 5.2 (*Redemption of Specified Event Linked Notes following a Specified Event*), upon redemption of each Note in accordance with the terms thereof the Issuer shall have discharged its obligations in respect of such Note and shall have no other liability or obligation whatsoever in respect thereof.
- (c) Each holder of Notes or Coupons, by subscribing for or purchasing such Notes or Coupons (if any), will be deemed to accept and acknowledge that it is fully aware that:
 - (i) upon the occurrence of a Specified Event, the obligations of the Issuer to make payments in respect of the Notes and Coupons (if any) may be limited to the amount payable or the value of the assets deliverable by the Issuer and the holder of the Notes and Coupons (if any) shall have no further recourse to the Issuer in respect of the Notes and Coupons (if any), respectively;
 - (ii) without prejudice to the foregoing, any right of the holder of the Notes and Coupons (if any) to claim payment of any amount exceeding the amount so payable or the value of the assets so deliverable shall be automatically extinguished; and
 - (iii) the holder of the Notes and Coupons (if any) shall not be able to petition for the winding up of the Issuer as a consequence of the non-payment by the Issuer of any sum which but for this Condition 5.2 (*Redemption of Specified Event Linked Notes following a Specified Event*) would have been payable by the Issuer in respect of the Notes and Coupons (if any).

5.3 **Redemption for Taxation Reasons**

- (a) If the Issuer, on the occasion of the next payment due in respect of the Notes, would be required by the laws and regulations of any jurisdiction or of any political sub-division thereof or any authority or agency therein or thereof having power to tax, to withhold or deduct amounts for or on account of tax in respect of payments under the Notes or would suffer tax in respect of its income so that it is not able to pay in full amounts due in respect of the Notes, then **provided that** no Specified Event has occurred the Issuer shall forthwith give notice of such circumstance to the Noteholders. In such event (and **provided that** no Specified Event has occurred) the Issuer may, but shall not be obliged to, on giving not more than 30 nor less 15 days' notice to the Noteholders, and upon expiry of such notice, redeem all but not some only of the Notes at the Early Redemption Amount together with any interest accrued to the date fixed for redemption. The provisions of this Condition 5.3 (*Redemption for Taxation Reasons*) are without prejudice to those of Condition 7 (*Taxation*).
- (b) The Issuer may, at its option, redeem some or all of the Notes (on giving not less than 15 or more than 30 days' irrevocable notice to holders (or such other notice period as may be specified in the relevant Final Terms)) in the event that the Issuer determines in good faith that it has suffered, or there is a substantial likelihood that it will suffer, a deduction or withholding in respect of a payment made to it, as a result of the Issuer's inability to comply with the reporting requirements imposed by the Foreign Account Tax Compliance Provisions, **provided that** (1) such inability to comply with the reporting requirements is attributable to non-compliance by any holder of such Notes (or a foreign withholding agent (if any) in the chain of custody of payments made to the holders) with the Issuer's requests for certifications or identifying information and (2) (in the reasonable determination of the Issuer) compliance with the reporting requirements would (or there is a substantial likelihood that it would) preclude such deduction or withholding (such

event, a "**Tax Termination Event**"). Upon a Tax Termination Event, Notes held by compliant holders, in addition to those held by non-compliant holders, may be redeemed or terminated. In the event of an early redemption of the Notes following a Tax Termination Event, the Issuer will cause to be paid to each such holder in respect of each such Note held by it the Early Redemption Amount.

5.4 **Early Redemption Amount**

(a) **Zero Coupon Notes**

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to a variable and/or a formula, upon redemption of such Note pursuant to Condition 5.3 (*Redemption for Taxation Reasons*) or upon it becoming due and payable in accordance with Condition 10 (*Events of Default*), shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (ii) Subject to the provisions of paragraph (iii) below, the Amortised Face Amount of any such Note shall be the Maturity Redemption Amount of such Note discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Note if it were discounted back to its issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5.3 (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*) 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 defined in paragraph (ii) above, except that such paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this paragraph 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 Maturity Redemption Amount together with any interest that may accrue in accordance with Condition 4.3 (*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 in the Final Terms.

(b) **Other Notes**

The Early Redemption Amount payable in respect of any Note (other than Notes described in (a) above), upon redemption of such Note pursuant to Condition 5.3 (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default*), shall be the amount specified as such in the relevant Final Terms or, if no amount is so specified, the Final Redemption Amount, for the purposes of which the Valuation Date (if applicable) shall be deemed to be the date falling 5 Business Days prior to the date fixed for early redemption.

5.5 **Redemption at the Option of the Issuer**

If "**Call Option**" is specified to apply in the Final Terms then, provided no Specified Event has occurred, the Issuer may, on giving not less than five days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the Final Terms), redeem, all or, if so provided in the Final Terms, some 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. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the Final Terms and no greater than the maximum nominal amount to be redeemed specified in the Final Terms.

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 Condition 5.5.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered 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 and stock exchange or other relevant authority requirements. So long as the Notes are listed on any stock exchange and the rules of the relevant stock exchange or other relevant authority so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation as specified by such stock exchange or other relevant authority a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

5.6 **Redemption at the Option of Noteholders**

If "**Put Option**" is specified to apply in the Final Terms, **provided that** no Specified Event has occurred, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than fifteen business days' notice to the Issuer (or such other notice period as may be specified in the Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) or (in the case of Registered Notes) the Certificate representing such Note(s) with the Issuer at its Specified Office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form set out in the Schedule to the Deed of Covenant, copies of which are obtainable from the Specified Office of the Issuer within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn without the prior consent of the Issuer.

In the event of an early redemption of Notes pursuant to this Condition 5.6 (*Redemption at the Option of Noteholders*), the Optional Redemption Amount may be less than the principal amount of the Notes being redeemed.

5.7 **Purchases**

The Issuer and any of its subsidiaries may at any time purchase Notes in the open market or otherwise and at any price **provided that** all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith. Any Notes so purchased may be held by the Issuer or may be surrendered for cancellation.

5.8 **Cancellation**

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuer and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

5.9 **Redemption – General**

Notwithstanding the above, the Issuer may redeem Notes of any Series at such time and at such price as agreed between the Issuer and the Noteholders or as specified in the applicable Series Prospectus.

5.10 Definitions

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

"Aggregate Nominal Amount" means the amount specified in the Final Terms.

"Amortised Face Amount" is determined in accordance with Condition 5.4(a)(ii) (*Early Redemption – Zero Coupon Notes*).

"Calculation Agent Determination of Settlement Rate" has the meaning given to it in Condition 4.10.

"Cash Settlement" means, upon the occurrence of a Specified Event, a redemption of the Notes by payment of a cash amount specified in, or calculated pursuant to, the Credit Linked Derivatives Annex.

"Clearance System" means each of Clearstream Banking, *société anonyme*, Euroclear Bank S.A./N.V. as operator of the Euroclear system and the Depository Trust Company ("**DTC**").

"Credit Linked Derivatives Annex" means, if specified as applicable in the Final Terms, the Credit Linked Derivatives Annex annexed to these Conditions.

"Credit Event" shall, if applicable, have the meaning specified in the Credit Linked Derivatives Annex.

"Early Redemption Amount" means:

- (i) in respect of any Zero Coupon Note, the amount calculated in accordance with Condition 5.4(a); or
- (ii) in respect of any Note that is not a Zero Coupon Note, the amount calculated in accordance with Condition 5.4(b).

The Final Terms shall specify whether the Early Redemption Amount shall be subject to the FX Break Costs adjustment pursuant to the Currency Annex.

"Final Redemption Amount" has the meaning given to it in Condition 5.1.

"Foreign Account Tax Compliance Provisions" means the U.S. tax legislation enacted on 18 March 2010 as Section 501 of the Hiring Incentives to Restore Employment Act of 2010.

"Issuer Discretion" has the meaning given to it in Condition 4.10.

"Maturity Redemption Amount" means, with respect to a Note, its principal amount.

"Maximum Redemption Amount" means the amount specified in the relevant Final Terms.

"Minimum Redemption Amount" means the amount specified in the relevant Final Terms.

"Optional Redemption Amount" means:

- (a) the amount specified in the Final Terms; or
- (b) if no amount is specified in the Final Terms, an amount equal to (x) the Aggregate Nominal Amount, multiplied by (y) the percentage specified as the Early Redemption Percentage in the Final Terms (or if no such amount is specified, 100 per cent.).

The Final Terms shall specify whether the Optional Redemption Amount shall be subject to the FX Break Costs adjustments pursuant to the Currency Annex.

"Optional Redemption Date" means each date specified in the Final Terms.

"Physical Settlement" means, upon the occurrence of a Specified Event, a redemption of the Notes by delivery to the Noteholder of an asset or assets specified in the Final Terms.

"Reference Dealer Poll" has the meaning given to it in Condition 4.10.

"Reference Obligation" means each obligation specified as such in the Final Terms or any Substitute Reference Obligation (as defined in the Credit Linked Derivatives Annex).

"Reference Obligation Currency" means the currency in which the Reference Obligation is denominated, or such other currency as is specified in the Final Terms.

"Settlement Basis" means, upon the occurrence of a Specified Event, the basis (being either Auction Settlement, Cash Settlement, Physical Settlement or Settlement Method at Issuer Option) upon which the Issuer may redeem the Notes as specified in the Final Terms.

"Settlement Disruption Event" means an event beyond the control of the Issuer and the relevant Noteholder as a result of which the Clearance System cannot clear transfers of the Securities comprising the Securities Entitlement of such Noteholder.

"Specified Event" means, in respect of a Specified Event Linked Note, either a Credit Event or a Disruption Event, as specified in the Final Terms.

"Specified Event Linked Notes" means Notes of a Series which permit the Issuer to redeem the Notes upon the occurrence of a Specified Event, as specified in the Final Terms.

"Specified Nominal Amount" means the amount specified as such in the Final Terms.

"Specified Office" means in respect of the Issuer, 20 Gresham Street, London EC2V 7JE and, in respect of the Paying Agent, 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland or such other office as may be specified in the Final Terms.

6. **Payments**

6.1 **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 Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6.6(f) (*Unmatured Coupons and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in Condition 6.6(f) (*Unmatured Coupons and Unexchanged Talons*)), as the case may be, at any Specified Office of the Issuer or the 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. "Bank" means a bank in the principal financial centre for such currency or in the case of euro in a city in which banks have access to the TARGET2 System.

6.2 **Registered Notes**

- (a) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the Specified Office of the Issuer and in the manner provided in paragraph (b) below.
- (b) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof. Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank 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 Issuer before the Record Date such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) If the amount of principal or interest which is due on any Registered Note is not paid in full otherwise than by reason of the operation of Condition 5.2 (*Redemption of Specified Event*)

Linked Notes following a Specified Event) in the case of Specified Event Linked Notes, the Registrar will annotate the Register with a record of the amount of principal or interest, if any, in fact paid on such Registered Notes.

6.3 **Payments in the United States**

Notwithstanding the foregoing, if any Bearer Notes are denominated in US 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 Issuer 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 Issuer, any adverse tax consequence to the Issuer.

6.4 **Payments Subject to Fiscal Laws**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.5 **Appointment of Agents**

The Paying Agent acts solely as agent of the Issuer and does not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other Paying Agents, or to act itself as Paying Agent, **provided that** the Issuer shall at all times maintain a Paying Agent having its specified office in a major European city which shall be Dublin so long as the Notes are listed on the Irish Stock Exchange, and such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a paying agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in Condition 6.3 (*Payments in the United States*) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

6.6 **Unmatured Coupons and Unexchanged Talons**

- (a) Upon the due date for final redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Variable Linked Notes) surrendered for payment otherwise than as a result of redemption pursuant to Condition 5.2 (*Redemption of Specified Event Linked Notes following a Specified Event*), such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, 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 ten years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).
- (b) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Variable Linked Note or upon redemption of any Bearer Note pursuant to Condition 5.2 (*Redemption of Specified Event Linked Notes following a Specified Event*),

unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (c) 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.
- (d) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made against the provision of such indemnity as the Issuer may require.
- (e) 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, subject to Condition 5.2 (*Redemption of Specified Event Linked Notes following a Specified Event*) in the case of Specified Event Linked Notes, be payable only against presentation (and surrender if appropriate) of the relevant Bearer Note or 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 Certificate representing it, as the case may be.

6.7 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 forming part of such Coupon sheet may be surrendered at the Specified Office of the Issuer 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 Condition 9 (*Prescription*)).

6.8 Non-Business Days

If any date for payment in respect of any Bearer Note or Coupon (or principal on a Registered Note in the circumstance of Condition 6.2(a) above) 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 paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for business (including dealings in foreign exchange currency deposits);

- (a) in the relevant place of presentation; and
- (b) in each jurisdiction specified as a "Financial Centre" in the Final Terms; and
- (c)
 - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, in the principal financial centre of the country of such currency (which, in the case of Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

7. Taxation

All payments made by or on behalf of the Issuer shall be made subject to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature which may be required to be made, paid, withheld or deducted. The Issuer shall not be liable as a result for, or otherwise obliged to pay, any additional amount to any of the Noteholders or Couponholders in respect of, or compensation for, any such withholding or deduction or any other amounts withheld or deducted pursuant to condition 6.4 above.

8. **ERISA**

- (a) By its acquisition, holding and subsequent disposition of any Note characterised as debt, each acquirer and subsequent transferee thereof will be deemed to have represented and warranted, at the time of its acquisition and throughout the period it holds such Note, that it shall not acquire, hold or subsequently dispose of such Note for, on behalf of, or with the assets of any "employee benefit plan" subject to the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or any "plan" subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), or an entity part or all of the assets of which constitute assets of any such employee benefit plan or plan by reason of Department of Labor Regulation Section 2510.3 101, Section 3(42) of ERISA or otherwise (each a "**Plan**") or any governmental, church, non-U.S. or other plan subject to any federal, state, local or non-U.S. law similar to the fiduciary responsibility provisions of ERISA or Section 4975 of the Code, unless such acquisition, holding and subsequent disposition of the Note will not constitute or result in any non-exempt prohibited transaction under Section 406 of ERISA or under Section 4975 of the Code (or in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any similar federal, state, local or non-U.S. law). Any fiduciary of a Plan acquiring a Note in reliance upon the statutory "service provider exemption" under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code represents and warrants at the time of the Plan's acquisition and throughout the period the Plan holds the Note that (x) the Plan fiduciary has made a good faith determination that the Plan is paying no more than, and is receiving no less than, adequate consideration in connection with the transaction and (y) none of SBGL or ICBC or any of their respective affiliates exercises discretionary authority or control or renders investment advice with respect to the assets of the Plan which the fiduciary is using to acquire the Note.
- (b) By its acquisition, holding and subsequent disposition of any Note characterized as equity, each acquirer and subsequent transferee thereof will be deemed to have represented and warranted, at the time of its acquisition and throughout the period it holds such Note, that it shall not acquire, hold or subsequently dispose of such Note for, or on behalf of, or with the assets of: (x) any Benefit Plan Investor (as defined in section 3(42) of ERISA) (including, for this purpose, the general account of an insurance company, any of the underlying assets of which constitute plan assets under Section 401 (c) of ERISA, or a wholly-owned subsidiary thereof), or (y) any governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding or disposition of such Note or interest would result in a violation of any Similar Law.

8.2 **Forced Transfer**

If the Issuer determines at any time that any Noteholder has made or been deemed to have made an ERISA related representation that is false or misleading (a "**Non-Permitted Holder**"), the Issuer may direct the Noteholder to sell or transfer its Note to a person who is not a Non-Permitted Holder within 14 days following receipt of notice of the direction. If the Noteholder fails to sell or transfer its Note within such period, the Issuer may cause the Note to be sold to an acquirer selected by the Issuer that certifies to the Issuer that such acquirer is not a Non-Permitted Holder, on terms as the Issuer may choose, subject to the transfer restrictions set out herein (and in the Deed of Covenant), and, pending such transfer, no further payments will be made in respect of the Note. The Issuer may select an acquirer by any means determined by it in its sole discretion. The proceeds of the sale, net of any commissions, expenses and taxes due in connection with the sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder (including the sale price) shall be determined in the sole discretion of the Issuer, subject to the transfer restrictions set out herein (and in the Deed of Covenant), and the Issuer shall not be liable to any person having an interest in the Note sold as a result of any sale or the exercise of such discretion.

9. **Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten

years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

10. **Events of Default**

Upon the occurrence of any of the following events in respect of the Notes of any relevant Series or any of them (each an "**Event of Default**") namely:

- (a) default is made for more than 14 days in the payment on the due date of any principal or interest due and payable in respect of the Notes of the relevant Series or any of them on the due date for payment thereof; or
- (b) a default is made in the performance or observance by the Issuer of any other obligation under or in respect of the Notes of the relevant Series and such default shall continue for 30 days after written notice requiring such default to be remedied shall have been given to the Issuer by any holder of Notes of the relevant Series; or
- (c) an administrator is appointed, a resolution is passed or an order of a court of competent jurisdiction is made that the Issuer be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction in which (i) a continuing corporation effectively assumes all obligations of the Issuer under the Notes of the relevant Series or (ii) the terms whereof have previously been approved by an Extraordinary Resolution (as defined in the terms for meetings of Noteholders set forth in the Schedule to the Deed of Covenant, copies of which can be obtained from the Specified Office of the Issuer) of the holders of Notes of the relevant Series; or
- (d) the Issuer stops pursuant or (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (c) above) ceases, or through an official action of its Board of Directors threatens to cease, to carry on business or is unable to pay its debts as and when they fall due (within the meaning of any applicable bankruptcy or insolvency law); or
- (e) a trustee, receiver, liquidator, provisional liquidator, administrator or similar official is appointed of the whole or substantial part of the assets or undertaking of the Issuer; or
- (f) proceedings shall have been initiated against the Issuer under any applicable bankruptcy or insolvency law and such proceedings shall not have been discharged or stayed within a period of 60 days or the Issuer initiates or consents to such proceedings;

then **provided that** no Specified Event has occurred, any holder of a Note of the relevant Series may, by written notice to the Issuer at its Specified Office, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Maturity Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind all of which the Issuer expressly waives notwithstanding anything contained in such Note to the contrary unless, prior thereto, all Events of Default in respect of Notes of the relevant Series shall have been cured.

11. **Meetings of Noteholders and Modifications**

11.1 **Modifications and Waivers**

The Issuer may from time to time modify and amend the Notes (including the Conditions) or the Deed of Covenant, in each case without the consent of the holders of the Notes or (if applicable) any holders of Coupons in respect of the Notes in accordance with, respectively, this Condition 11.1 or the Deed of Covenant, in such manner as the Issuer deems necessary or desirable, if the modification or amendment:

- (a) is of a formal, minor or technical nature; or
- (b) is made to cure a manifest or proven error; or

- (c) is made to cure any ambiguity; or is made to correct or supplement any defective provisions of the Notes or the Deed of Covenant (as applicable); or
- (d) will not materially and adversely affect the interests of the holders of the Notes or (if applicable) any holders of Coupons in respect of the Notes.

Any such modification or amendment shall take effect in accordance with its terms and shall be binding on the holders of the Notes or (if applicable) any holders of Coupons in respect of the Notes, and shall be notified to the Holders in accordance with Condition 15 (*Notices*) as soon as practicable (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).

11.2 **Modification and Waiver with holder consent**

- (a) *Majority Consent*: Subject as provided in paragraphs (b) and (c) below (and in each case subject to the consent of the Issuer), in order to modify and amend the Deed of Covenant and the Notes (including the Conditions), or to waive past Issuer defaults, a resolution in writing signed by the holders of at least a majority in aggregate principal amount of the Notes at the time outstanding (in the case of Notes), or of such lesser percentage as may attend and vote at a meeting of holders of the Notes held in accordance with the Deed of Covenant shall be required.
- (b) *Consent by Extraordinary Resolution*: Any modification which will:
 - (i) extend the stated maturity of the principal of or any instalment of interest on any such Note or extend the date for expiration, settlement or payment of any coupon in relation to such Security;
 - (ii) reduce the principal amount, redemption price of, or settlement price of, or interest on (as applicable), any such Note;
 - (iii) change the currency of payment of such Note or interest thereon;
 - (iv) impair the right to institute suit for the enforcement of any such payment on or with respect to any such Note;
 - (v) reduce the percentage in aggregate principal amount of Notes outstanding necessary to modify or amend the Deed of Covenant, or to waive any past default; or
 - (vi) reduce the voting or quorum requirements or the percentage of aggregate principal amount, redemption price or settlement price of Notes outstanding required to take any other action authorised to be taken by the holders of a specified principal amount of Notes,

may only be made if sanctioned by an Extraordinary Resolution.

- (c) *Priority*: The terms of this Condition 11.2 are subject to the terms of Condition 11.1 (*Modifications and Waiver*).

11.3 **Meetings of Holders**

The terms for meetings of Noteholders set forth in the Schedule to the Deed of Covenant, copies of which can be obtained from the Specified Office of the Issuer, are incorporated in these Conditions and apply as if set out herein.

Such terms contain provisions for convening meetings of the holders of Notes of any Series to consider any matter affecting their interest including, without limitation, the modification by Extraordinary Resolution (as defined in such terms) of these Conditions. An Extraordinary Resolution passed at any meeting of the holders of Notes of any Series will be binding on all holders of Notes of such Series, whether or not they are present at the meeting, and on all holders of Coupons relating to Notes of such Series.

12. **Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange and other relevant authority regulations, at the Specified Office of the Issuer and of the Registrar (in the case of Certificates) or such other agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs 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, Certificate, 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 Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

13. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 13 and forming a single series with the Notes.

14. **Substitution**

14.1 The Issuer or any of its subsidiaries (as defined by Section 1159 of the Companies Act 2006) of which more than 90 per cent. of the shares carrying voting rights are directly or indirectly held by the Issuer (each a "**Subsidiary**") may, without the consent of the holders of Notes, assume liability as the principal debtor in respect of the Notes and any Coupons (the "**Substituted Debtor**"), **provided that:**

- (a) a deed poll and such other documents (if any) shall be executed by the Substituted Debtor as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each holder of Notes to be bound by these Conditions as fully as if the Substituted Debtor had been named in the Notes as the Issuer; and
- (b) the Documents shall contain a warranty and representation (i) that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents for such substitution, (ii) that the Substituted Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substituted Debtor of its obligations under the Documents and that all such approvals and consents are in full force and effect and (iii) that the obligations assumed by the Substituted Debtor are valid and binding in accordance with their respective terms and enforceable by each holder of Notes.

14.2 Upon the execution of the Documents, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall, in the case of the substitution of a Substituted Debtor as principal debtor, operate to release the Issuer or the previous substitute as aforesaid from all of its obligations as principal debtor in respect of the Notes.

14.3 The Documents shall be deposited with and held by the Issuer for so long as any of the Notes remains outstanding and for so long as any claim made against the Substituted Debtor by the holder of Notes in relation to the Notes or the Documents shall not have been fully adjudicated, settled or discharged. The Substituted Debtor shall acknowledge in the Documents the right of every holder of Notes to the production of the Documents for the enforcement of any of the Notes or the Documents.

- 14.4 Not later than 20 days after the execution of the Documents, the Substituted Debtor together with the Issuer shall give notice thereof to the holders of Notes in accordance with this Condition 14.
- 14.5 At any time after a substitution pursuant to Condition 14.1 (*Substitution*), the Substituted Debtor may, without the consent of the holders of Notes, substitute the Issuer or any other Subsidiary as the principal debtor in respect of the Notes to undertake its obligations in respect of the Notes **provided that** all the provisions specified in Conditions 14.1, 14.2, 14.3 and 14.4 (*Substitution*) above shall apply, *mutatis mutandis*, and without limitation, references in this Condition to the Issuer shall, where the context so requires, be deemed to be or include references to any such Substituted Debtor.

15. **Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times) and so long as the Notes are listed on the Irish Stock Exchange and the rules of that Exchange so require, in a daily newspaper with general circulation in Ireland (which is expected to be the Irish Times). If in the opinion of the Issuer any such publication is not practicable, notice shall be validly given if published in another leading daily English Language newspaper with general circulation in Europe. 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 date of the first publication as provided above.

While the Notes are listed on the Irish Stock Exchange, copies of all notices given in accordance with this Condition 15 shall be forwarded to the Companies Announcement Office of the Irish Stock Exchange.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes to which the Coupons relate in accordance with this Condition 15.

16. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17. **Governing Law and Jurisdiction**

17.1 **Governing Law**

The Notes, the Coupons and the Talons, (and any dispute, controversy, proceedings or claim of whatever nature (whether contractual, non-contractual or otherwise) arising out of or in any way relating to the Notes, the Coupons and the Talons or their formation) shall be governed by, and construed in accordance with, English law.

17.2 **Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") shall be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes or Coupons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

CREDIT LINKED DERIVATIVES ANNEX

Where specified as applicable in any Final Terms relating to the issue of Notes under the Programme, the provisions of this Credit Linked Derivatives Annex shall apply to such Notes as if expressly set out in the relevant Final Terms.

1. **Amendment to the Conditions**

The following shall be inserted as Conditions 5.2A, 5.2B, 5.2C, 5.2D, 5.2E, 5.2F, 5.2G, 5.2H, 5.2I, 5.2J, 5.2K and 5.2L (together, the "**Additional Conditions**"):

5.2A **Redemption**

(a) **Redemption absent Satisfaction of Conditions to Settlement**

Unless previously redeemed, purchased and/or cancelled and notwithstanding Condition 5.1 (*Final Redemption*), if the Conditions to Settlement have not been satisfied, the Issuer shall redeem the Notes at the Final Redemption Amount of each Note (together with interest, if any, accrued to the Scheduled Termination Date) on:

- (i) the Scheduled Termination Date; or
- (ii) the Termination Date, if the Calculation Agent determines a Potential Credit Event has occurred.

(b) *Redemption following Satisfaction of Conditions to Settlement*

Unless previously redeemed, purchased and/or cancelled, upon satisfaction of the Conditions to Settlement, no further amounts in respect of interest or principal will become due or payable and interest will cease to accrue in respect of the Notes with effect from the immediately preceding Interest Payment Date (or, if none, the Interest Commencement Date) and the Issuer will instead redeem the Notes:

- (i) if Auction Settlement applies, in accordance with Condition 5.2E (*Auction Settlement*), unless a Fallback Settlement Event occurs, in which event the Issuer will instead redeem the Notes in accordance with the applicable Fallback Settlement Method;
- (ii) if Cash Settlement applies, in accordance with Condition 5.2F (*Cash Settlement*); or
- (iii) if Physical Settlement applies, in accordance with Condition 5.2G (*Physical Settlement*).

Upon discharge by the Issuer of such payment or delivery obligation on or by the relevant Settlement Date (or, if the Auction Settlement Amount or Cash Settlement Amount is zero, upon the occurrence of the Auction Settlement Date or Cash Settlement Date), or otherwise as provided herein, the Issuer's obligations in respect of the Notes shall be discharged.

5.2B **Suspension of the Issuer's Payment Obligations in relation to a Potential Credit Event or a Credit Event Resolution Request Date**

(a) *Potential Credit Events*

Where the Calculation Agent determines that a Potential Credit Event (including without limitation, a Potential Failure to Pay or Potential Repudiation/Moratorium) has occurred on or prior to the Scheduled Termination Date (or in the case of paragraph (d) of the definition of Potential Credit Event, on or prior to the last day of the Notice Delivery Period), no further payments shall become due hereunder (whether of principal or interest) unless the Calculation Agent determines that such Potential Credit Event is cured (a "**Cure Event**" or that the Conditions to Settlement have not been satisfied in accordance with Condition 5.2C (*Satisfaction of Conditions to Settlement*) in which event any amounts which would have already fallen due but for this clause 5.2B(a) shall become payable (without any additional interest thereon) on or prior to the second Local Business Day after the date of such Cure Event and all other amounts shall remain payable in accordance with the Terms and Conditions of the Notes.

The Calculation Agent may give a Potential Credit Event Notice at any time specified in the definition of "**Potential Credit Event Notice**" (including after the occurrence of a Potential Credit Event) but failure to give a Potential Credit Event Notice shall not render invalid the determination of the Calculation Agent that a Potential Credit Event has occurred.

(b) *Settlement Suspension following Credit Event Resolution Request Date*

If, at any time after the delivery of a Credit Event Notice and, if applicable, a Notice of Publicly Available Information but prior to the Cash Settlement Date or Physical Settlement Date, a Credit Derivatives Determinations Committee is requested to determine whether a Credit Event has occurred or the date of occurrence of such Credit Event with respect to the Reference Entity in respect of which such Credit Event Notice has been served, the Issuer may elect (in its sole discretion) to suspend settlement of the Notes and if so, the timing requirements of Condition 5.2D (*Auction or Cash or Physical Settlement at the Issuer's Option*), Condition 5.2G(a) (*Delivery of Notice of Physical Settlement*), Condition 5.2G(b) (*Delivery on the Physical Settlement Date*), Condition 5.2G(c) (*Partial Cash Settlement following Extended Physical Settlement Date*), the Cash Settlement Date, the Valuation Date, the Physical Settlement Period, the Physical Settlement Date, the Notice of Physical Settlement, the Extension Date, the Notice Delivery Period, as applicable, and any other provision in this Credit Linked Derivatives Annex that pertains to valuation or settlement, and any obligation of the Issuer to redeem any Note (including pursuant to Condition 5.2A (*Redemption*)) or pay any amount of interest which would otherwise be due thereon, shall, in each case insofar as they relate to the relevant Reference Entity, be and remain suspended until:

- (i) a DC Credit Event Announcement or a DC No Credit Event Announcement has occurred; or
- (ii) the Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred or the date of occurrence of such Credit Event,

after which such suspension shall terminate and any obligations so suspended shall resume on the Business Day following public announcement by ISDA of (i) or (ii) above, with the Issuer having the benefit of the full day notwithstanding when the suspension began.

Any amount of interest so suspended shall, subject always to Condition 5.2A (*Redemption*), become due on the date designated by the Calculation Agent, in its sole discretion but not later than 15 Business Days following such public announcement by ISDA.

During the period of any suspension of settlement as contemplated herein, the Issuer shall not be obliged to take any action in connection with the settlement of the Notes, (to the extent only that the Notes relate to the relevant Reference Entity) and no interest shall accrue on any payment of interest or principal which is deferred in accordance with this Condition 5.2B(b).

5.2C **Satisfaction of the Conditions to Settlement.**

The "**Conditions to Settlement**" will be satisfied:

- (i) if, at any time during either:
 - (A) the Notice Delivery Period; or
 - (B) at the Issuer's option, the period (I) from, and including, the date on which ISDA publicly announces (1) that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred or the date of occurrence of such Credit Event or (2) the occurrence of a DC Credit Event Announcement (II) to, and including, the date that is 14 calendar days thereafter (**provided that** the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)),

the Calculation Agent sends Noteholders a Credit Event Notice and (if (1) Notice of Publicly Available Information is specified as a Condition to Settlement in the Final

Terms, (2) where required by the Calculation Agent in its discretion, each Noteholder has provided to the Issuer a confidentiality undertaking in the form (if any) required by the Calculation Agent, and (3) no DC Credit Event Announcement has occurred) a Notice of Publicly Available Information; or

- (ii) if a DC Credit Event Announcement occurs (**provided that** the Issuer may in its sole discretion determine that any DC Credit Event Announcement does not fulfil the Conditions to Settlement for the purposes of any Notes).

The Issuer will not be obliged to send such notices or to redeem the Notes following any occurrence or event which would otherwise permit it to do so. The date on which the Conditions to Settlement have been satisfied (or, at the Issuer's option in the case of a DC Credit Event Announcement, the Credit Event Resolution Request Date) is the "**Event Determination Date**".

If, pursuant to the above, different Event Determination Dates have been determined with respect to different portions of the relevant Reference Entity Notional Amount or an Event Determination Date has been determined with respect to only a portion of the Reference Entity Notional Amount, the provisions of this Credit Linked Derivatives Annex shall, with effect from each such Event Determination Date, be deemed to apply separately to an aggregate outstanding principal amount of the Notes equal to each such portion and all the provisions hereof shall be construed accordingly with such modifications as the Calculation Agent shall determine are required in order to preserve the economic effects of the Notes considered in aggregate.

5.2D Auction or Cash or Physical Settlement at the Issuer's Option

If the Final Terms specify that "**Settlement Method at Issuer Option**" is applicable, on or before the 30th calendar day (subject to adjustment in accordance with the Following Business Day Convention) after the Event Determination Date, the Calculation Agent shall notify the Noteholders whether the Notes will redeem in accordance with Condition 5.2E (*Auction Settlement*), Condition 5.2F (*Cash Settlement*) or Condition 5.2G (*Physical Settlement*) (in each case, if specified as applicable for election in the Final Terms).

Notwithstanding the foregoing, if at any time after notification by the Calculation Agent that the Notes will redeem in accordance with Condition 5.2F (*Cash Settlement*) or Condition 5.2G (*Physical Settlement*) but prior to the Cash Settlement Date or Physical Settlement Date, a Credit Derivatives Determinations Committee is requested to determine whether a Credit Event has occurred or the date of occurrence of such Credit Event with respect to the Reference Entity in respect of which a Credit Event Notice has been served, the Calculation Agent may, at the Issuer's option, notify the Noteholders at any time that such notification is revoked and the Notes will instead redeem in accordance with Condition 5.2E (*Auction Settlement*).

If Auction Settlement applies and the Final Terms specify that "Fallback Settlement Method at Issuer Option" is applicable, on or before the 30th calendar day (subject to adjustment in accordance with the Following Business Day Convention) after the Event Determination Date, the Calculation Agent shall notify the Noteholders whether the Fallback Settlement Method will be Cash Settlement or Physical Settlement.

Such notification(s) may be substantially in the form in the relevant Appendix hereto, contained within the Credit Event Notice or Notice of Publicly Available Information or in such other form as the Issuer or the Calculation Agent may determine from time to time.

5.2E Auction Settlement

- (a) *Auction Settlement*

If Auction Settlement applies, on the Auction Settlement Date the Issuer shall redeem each Note, upon presentation and surrender of the same in accordance with Condition 6, by payment of the Auction Settlement Amount.

(b) *Auction Settlement Amount*

The "**Auction Settlement Amount**" in respect of each Note shall be:

- (i) the amount specified as such in the Final Terms; or
- (ii) if no such amount is specified, an amount determined by the Calculation Agent to be the greater of (a) zero and (b) the product of (I) the outstanding principal amount of such Note divided by the aggregate outstanding principal amount of the Notes, (II) the Reference Entity Notional Amount in respect of the relevant Reference Entity, and (III) the relevant Auction Final Price or, if so determined by the Issuer in its sole discretion, a Parallel Auction Final Price.

In each case the Auction Settlement Amount shall be reduced by the value of the Break Costs.

5.2F **Cash Settlement**

(a) *Cash Settlement*

If Cash Settlement applies, subject to Condition 5.2B(b) (*Settlement Suspension following Credit Event Resolution Request Date*), on the Cash Settlement Date the Issuer shall redeem each Note, upon presentation and surrender of the same in accordance with Condition 6 (*Payments*), by payment of the Cash Settlement Amount.

(b) *Cash Settlement Amount*

The "**Cash Settlement Amount**" in respect of each Note shall be:

- (i) the amount specified as such in the Final Terms; or,
- (ii) if no such amount is specified, an amount determined by the Calculation Agent to be the greater of (a) zero and (b) the product of (I) the outstanding principal amount of such Note divided by the aggregate outstanding principal amount of the Notes, (II) the Reference Entity Notional Amount in respect of the relevant Reference Entity (or, as the case may be, the outstanding principal balance in respect of the relevant Valuation Obligation or Deliverable Obligation thereof), and (III) the relevant Final Price or, if the Calculation Agent selects more than one Valuation Obligation with respect to a Reference Entity, the relevant Weighted Average Final Price.

In each case the Cash Settlement Amount shall be reduced by the value of the Break Costs.

(c) *Final Price*

The "**Final Price**" shall be the Market Value of the relevant Valuation Obligations or Deliverable Obligations as determined by the Calculation Agent in accordance with the provisions below:

- (i) the Calculation Agent shall attempt to obtain Full Quotations with respect to the Valuation Date from three Dealers. If at least two such Full Quotations are not available on the Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the fifth Business Day following the Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from three Dealers and, if at least two Full Quotations are not available, a Weighted Average Quotation;
- (ii) if the Calculation Agent is unable to obtain at least two Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the fifth Business Day following the applicable Valuation Date the Quotations shall be deemed to be zero; and
- (iii) the Market Value of the relevant Valuation Obligations or Deliverable Obligations shall be: (A) if at least two Full Quotations are obtained, the highest Full Quotation; (B) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation; and (C) if the Quotations are deemed to be zero, the Calculation Agent shall determine the

Market Value in good faith in its absolute discretion and this may result in the Market Value being zero.

5.2G Physical Settlement

(a) *Delivery of Notice of Physical Settlement*

If Physical Settlement applies, the Calculation Agent will use reasonable endeavours to deliver to the Noteholders a Notice of Physical Settlement on or before:

- (i) subject to paragraph (ii) below, the later of:
 - (A) the 30th calendar day (subject to adjustment in accordance with the Following Business Day Convention) after the Event Determination Date, subject, where applicable, to Condition 5.2B(b) (*Settlement Suspension following Credit Event Resolution Request Date*); or
 - (B) at the Issuer's option, the 10th calendar day after (I) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred or the date of occurrence of such Credit Event or (II) the date of the relevant DC Credit Event Announcement, if any; or
- (ii) if so determined by the Issuer in its sole discretion, the (A) 30th calendar day after an Auction Cancellation Date or No Auction Announcement Date or (B) the Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date).

For the purposes of determining whether a Notice of Physical Settlement has been delivered, the effective date of delivery of the first Notice of Physical Settlement (whether or not subsequently re-issued or changed) shall be used.

(b) *Delivery on the Physical Settlement Date*

If Physical Settlement applies, the Issuer shall use reasonable efforts, subject to Condition 5.2G(e) (*Asset Transfer Notice*), to Deliver to each Noteholder or to the Noteholder's order the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations. In the event that the Issuer, for any reason whatsoever (other than as a result of an event or circumstance contemplated in Condition 5.2G(g) (*Partial Cash Settlement due to impossibility, impracticability or illegality*)), does not affect Delivery of all or a portion of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations to any Noteholder by the Physical Settlement Date, such failure shall not constitute an Event of Default and the Issuer may continue to attempt such Delivery until the Extended Physical Settlement Date.

(c) *Partial Cash Settlement following Extended Physical Settlement Date*

If, as at the relevant Extended Physical Settlement Date, any such Deliverable Obligations have not been Delivered, then, subject to Condition 5.2G(e) (*Asset Transfer Notice*) and Condition 5.2G(g) (*Partial Cash Settlement due to impossibility, impracticability or illegality*), Partial Cash Settlement shall apply with respect to such Deliverable Obligations and the Issuer shall pay to the relevant Noteholders an amount equal to the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the relevant Noteholders on the Partial Cash Settlement Date.

"Extended Physical Settlement Date" means such date as the Calculation Agent may determine in its absolute discretion, **provided that** such date falls no later than the 180th calendar day following the Physical Settlement Date or, in the absence of such determination, such 180th calendar day.

(d) *Delivery*

To "Deliver" the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations pursuant to Condition 5.2G (*Physical Settlement*) means to deliver, novate, transfer (including in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations, in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, to the Noteholder or its designated nominee free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) (inclusive) of the definition of "**Credit Event**" or right of set-off by or of the Reference Entity or as applicable an Underlying Obligor); **provided that** (A) if a Deliverable Obligation is a Direct Loan Participation, "**Deliver**" means to create (or procure the creation of) a participation in favour of the relevant Noteholder or its designated nominee and (B) if a Deliverable Obligation is a Guarantee, "**Deliver**" shall mean to Deliver both the Guarantee and the Underlying Obligation, provided further that if the Guarantee has a Fixed Cap, (X) "**Deliver**" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap and (Y) those claims shall be deemed to be Deliverable Obligations. "**Delivery**" and "**Delivered**" shall be construed accordingly.

In the case of a Loan, Delivery may, at the option of the Issuer, be effected by granting a participation in all or part of the Loan or such other arrangement or using documentation specified by the Calculation Agent for such purpose. Each Noteholder agrees to comply, for the purposes of the Notes, with the provisions of any such documentation. Each Noteholder is deemed to further agree, that compliance by the Issuer with the provisions of any such documentation shall, without further action, constitute, Delivery for the purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and no Noteholder shall be permitted to request that the Issuer take nor shall the Issuer be required to take, any action or make any payment in connection with such Delivery, as applicable.

If Asset Package Delivery applies, (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) each Asset in the Asset Package shall be Delivered provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Calculation Agent has notified the Noteholders of the detailed description of the Asset Package that the Issuer shall Deliver in the Notice of Physical Settlement, (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value.

(e) *Asset Transfer Notice*

In order to obtain Delivery of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations each Noteholder must deliver to the Issuer or the Registrar (if different) within five Business Days of the date of delivery of the Notice of Physical Settlement or, if there is any NOPS Amendment Notice, the most recent NOPS Amendment Notice (the "**Cut-Off Date**"), a duly completed Asset Transfer Notice in accordance with Condition 5.2G(f) (*Asset Transfer Notice Requirements*) and, in the case of a holding of a Definitive Note or Registered Note, the Note (which expression shall, for the purposes of this Condition 5.2G(e), include Certificate(s) and, if applicable, all unmatured Coupons and unmatured and unexchanged Talons,

in accordance with the provisions of Condition 6.6 (*Unmatured Coupons and Unexchanged Talons*)). In the event that the Note is represented by a Global Note, an Asset Transfer Notice must be delivered to the Issuer via the relevant Clearing System, by such method of delivery as the relevant Clearing System shall have approved.

After delivery of an Asset Transfer Notice, no transfers of the Notes specified therein which are represented by a Global Note will be effected by any relevant Clearing System and no transfers of Registered Notes specified therein will be effected by the Registrar.

Upon receipt of a duly completed Asset Transfer Notice and, in the case of Definitive Notes or Registered Notes, the Note to which such notice relates, the Issuer, any relevant Clearing System or the Registrar, as the case may be, shall verify that the person specified therein as the accountholder or registered holder, as the case may be, is the Holder of the Note referred to therein according to its books or the Register, as the case may be.

Subject as provided herein, in relation to each Note, the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations will be Delivered to the relevant Noteholder at the risk of such Noteholder.

If the Asset Transfer Notice and (with respect to Definitive Notes and Registered Notes) the relevant Note are delivered to the Issuer later than close of business in London on the Cut-Off Date, then the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations will be Delivered as soon as practicable after the date on which Delivery of the same would otherwise be made, at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, such Noteholder shall not be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of the Delivery of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations taking place after the date on which Delivery of the same would otherwise be made pursuant to the provisions of this Condition 5.2G (*Physical Settlement*) or otherwise due to circumstances beyond the control of the Issuer.

If any Noteholder fails to deliver an Asset Transfer Notice in the manner set out herein or delivers an Asset Transfer Notice on any day falling after the day that is 180 calendar days after the date of delivery of the Notice of Physical Settlement or, in the case of Definitive Notes or Registered Notes, fails to deliver the Note related thereto or fails to pay the Delivery Expenses as referred to in Condition 5.2G(i) (*Costs and Expenses*), the Issuer shall be discharged from its obligations in respect of such Note and shall have no further obligation or liability whatsoever in respect thereof.

Until Delivery of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations is made to the relevant Noteholder, the Issuer or any person holding such assets on behalf of the Issuer shall continue to be the legal owner of those assets. None of the Issuer and any such other person shall (i) be under any obligation to deliver or procure delivery to such Noteholder or any subsequent transferee any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such assets, (ii) be under any obligation to exercise or procure the exercise of any or all rights (including voting rights) attaching or appertaining to such assets until the date of Delivery or (iii) be under any liability to such Noteholder or subsequent transferee for any loss, liability, damage, cost or expense that such Noteholder or subsequent transferee may sustain or suffer as a result, whether directly or indirectly, of that person not being the legal owner of such assets until the date of Delivery. For the avoidance of doubt, each Noteholder further acknowledges and agrees that the terms of any Deliverable Obligation may be subject to amendment by the Issuer, the Calculation Agent or the parties thereto prior to Delivery or otherwise.

(f) *Asset Transfer Notice Requirements*

An Asset Transfer Notice is irrevocable and must:

- (i) specify the account details and name of the person to whom Delivery of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligation is to be made;
- (ii) specify the number of Notes which are the subject of such notice;

- (iii) in the event such Notes are represented by a Global Note:
 - (A) specify the number of the Noteholder's account at the relevant Clearing System to be debited with such Notes; and
 - (B) irrevocably instruct and authorise the relevant Clearing System to debit the relevant Noteholder's account with such Notes on the due date for redemption of the Notes;
- (iv) in the event that such Notes are Registered Notes, irrevocably instruct and authorise the Registrar to effect the transfer of the relevant Notes;
- (v) authorise the production of such notice in any applicable administrative or legal proceedings;
- (vi) authorise the Issuer to deduct from the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations to be delivered in accordance with such notice, the Delivery Expenses as referred to in Condition 5.2G(i) (*Costs and Expenses*) below; and
- (vii) must be in the form in the relevant Appendix hereto with any amendments as determined by the Issuer or the Calculation Agent from time to time or in such other form made available by the Issuer or the Calculation Agent from time to time.

Failure properly to complete and deliver an Asset Transfer Notice and, in the case of Definitive Notes or Registered Notes, to deliver the relevant Note, may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the Issuer in its sole and absolute discretion and shall be conclusive and binding on the relevant Noteholder.

(g) *Partial Cash Settlement due to impossibility, impracticability or illegality*

- (i) If due to an event beyond the control of the Issuer it is impossible, impracticable or illegal for the Issuer to Deliver, or due to an event beyond the control of any Noteholder or its designated nominee, it is impossible or illegal for such Noteholder to accept Delivery of, all or a portion of the Deliverable Amount of any of the Deliverable Obligations by the Physical Settlement Date (including, without limitation, failure of the relevant Clearing System or due to any law, regulation or court order, but not including market conditions or failure to obtain any requisite consent with respect to the Delivery of Loans) then by such date the Issuer or, as the case may be, the Noteholder shall provide a description in reasonable detail of the facts giving rise to such impossibility, impracticability or illegality and the Issuer shall Deliver and such Noteholder or its designated nominee shall take Delivery of that portion (if any) of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations for which it is possible, practicable and legal to take Delivery. As soon as possible thereafter, the Issuer shall Deliver and such Noteholder, its originally designated nominee or any new designated nominee shall take Delivery of the remaining portion of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations.
- (ii) If following the occurrence of any impossibility, impracticability or illegality referred to in (i) above, all or a portion of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations is not Delivered on or prior to the Latest Permissible Physical Settlement Date, then Partial Cash Settlement pursuant to Condition 5.2G(g)(iii) shall be deemed to apply with respect to that portion of the Deliverable Amount of the Deliverable Obligations that cannot be Delivered for the reasons specified above (and/or, together with any other Deliverable Obligation which have not been delivered under Condition 5.2G(c) (*Partial Cash Settlement following Extended Physical Settlement Date*), the "**Undeliverable Obligations**").
- (iii) On the Partial Cash Settlement Date, the Issuer shall pay to the relevant Noteholders the Partial Cash Settlement Amount to be apportioned *pro rata* amongst the relevant Noteholders and upon discharge by the Issuer of such payment obligation on the Partial

Cash Settlement Date, the Issuer's obligations in respect of the relevant Note shall be discharged.

(h) *Fractional Entitlement*

If the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations comprises less than a multiple of a whole number of the Deliverable Obligations at the relevant time, then (i) the Issuer shall not Deliver and the relevant Noteholder shall not be entitled to receive in respect of its Notes that fraction of an asset which is less than a whole number (the "**Fractional Entitlement**") and (ii) the Issuer shall pay to the relevant Noteholder a cash amount (to be paid at the same time as Delivery of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations) equal to the value (as determined by the Calculation Agent) of such Fractional Entitlement.

(i) *Costs and expenses*

(i) The costs and expenses (the "**Delivery Expenses**") of effecting any delivery of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations (except for the expenses of delivery by uninsured regular mail (if any), which shall be borne by the Issuer) shall be borne by the Noteholder and shall at the option of each Noteholder as specified in the Asset Transfer Notice either be:

(A) paid to the Issuer by such Noteholder prior to the Delivery of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations (and, for the avoidance of doubt, the Issuer shall not be required to Deliver any portion of the Deliverable Amount of the Deliverable Obligations to such Noteholder until it has received such payment); or

(B) deducted by the Issuer from the amount which may be payable to such Noteholder, in accordance with Condition 5.2G(h) (Fractional Entitlement).

(ii) If there is not a cash amount owing to a Noteholder sufficient to cover the Delivery Expenses, the Issuer may convert such amount of the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations into cash sufficient to cover the Delivery Expenses in respect of such Note from which the Issuer shall deduct such Delivery Expenses. Each Note will then be redeemed by delivery of the remaining portion of the Deliverable Amount of the Deliverable Obligations in respect of such Note and, if applicable, payment of a cash amount in respect of any Fractional Entitlement arising, together with any other amounts to which such Noteholder is entitled upon redemption of such Note.

(j) *No Obligation to Register Noteholder*

The Issuer shall not be under any obligation to register or procure the registration of any Noteholder or any other person as the registered holder of any of the Deliverable Obligations to be delivered in the register of members or holders of debt securities of any company whose securities form part of the Deliverable Obligations. The Issuer shall not be obliged to account to any Noteholder for any entitlement received or receivable in respect of any of the Deliverable Obligations to be delivered if the date on which such are first traded ex such entitlement is on or prior to the date of Delivery. The Issuer shall determine, in its sole and absolute discretion, the date on which such assets are so first traded ex such entitlement.

(k) *Asset Package Delivery*

Asset Package Delivery will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

5.2H **Restructuring Credit Event**

(a) *Multiple Credit Event Notices*

Where Restructuring is an applicable Credit Event in relation to any Reference Entity upon the occurrence of a Restructuring Credit Event in relation to such Reference Entity for which either Modified Modified Restructuring Applicable, Mod Mod R Applicable, Modified Restructuring Applicable or Mod R Applicable is specified in the Final Terms or is applicable in respect of the Transaction Type:

- (i) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such notice setting forth the amount of the relevant Reference Entity Notional Amount to which such Restructuring Credit Event applies (the "**Exercise Amount**"), **provided that** if the Credit Event Notice does not specify an Exercise Amount, the then outstanding Reference Entity Notional Amount will be deemed to have been specified as the Exercise Amount; and
- (ii) the provisions of this Credit Linked Derivatives Annex shall be deemed to apply to an aggregate outstanding principal amount of the Notes equal to the Exercise Amount only and all the provisions hereof shall be construed accordingly.

The Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the Reference Entity Notional Amount is denominated or any integral multiple thereof or the entire Reference Entity Notional Amount.

If any Note is subject to partial redemption in accordance with this Condition 5.2H(a), the relevant Note or, if the Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.

(b) *Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*

If "**Modified Restructuring Applicable**" or "**Mod R Applicable**" is specified in the Final Terms or is applicable in respect of the Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in a Notice of Physical Settlement or specified in any NOPS Amendment Notice or, as applicable, selected by the Calculation Agent as a Valuation Obligation only if it:

- (i) is a Fully Transferable Obligation; and
- (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date,

in each case, as of both the NOPS Effective Date and the Delivery Date.

(c) *Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*

If "**Modified Modified Restructuring Applicable**" or "**Mod Mod R Applicable**" is specified in the Final Terms or is applicable in respect of the Transaction Type, and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation or, as applicable, Valuation Obligation, may be specified in the Notice of Physical Settlement or specified in any NOPS Amendment Notice or, as applicable, selected by the Calculation Agent as a Valuation Obligation, only if it:

- (i) is a Conditionally Transferable Obligation; and
- (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date,

in each case as, of both the NOPS Effective Date and the Delivery Date. Notwithstanding the foregoing, for the purposes of this Condition 5.2H(c) (*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*), in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10 year Limitation Date, the final maturity of such Loan or Bond shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

In the event that the requisite consent in relation to a Deliverable Obligation which is a Conditionally Transferable Obligation is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason) or is not received by the Physical Settlement Date, the Issuer shall promptly notify the relevant Noteholders of such refusal (or deemed refusal) and:

- (x) each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and
- (y) if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is three Business Days after the Physical Settlement Date, then the Issuer may (but shall not be obliged to) continue to attempt such Delivery until the Extended Physical Settlement Date and failing which, Condition 5.2(C)(b) (Partial Cash Settlement following Extended Physical Settlement Date) shall apply.

5.2I Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics

(a) *Obligation Characteristics*

If the Obligation Characteristic "Listed" or "Not Domestic Issuance" is specified in the Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms and this Credit Linked Derivatives Annex shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

(b) *Deliverable Obligation Category and Characteristics*

If:

- (i) any of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category;
- (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans;
- (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms or is applicable in respect of the applicable Transaction Type, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans; or
- (iv) more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified in the applicable Final Terms as Deliverable Obligation Characteristics or is applicable in respect of the applicable Transaction Type, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable

Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

(c) *Qualifying Guarantees*

If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:

- (i) for purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation;
- (ii) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
- (iii) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms or the applicable Transaction Type from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured" and "Not Bearer";
- (iv) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor;
- (v) the terms "**outstanding principal balance**" and "**Due and Payable Amount**" (as they are used in the terms of the Notes, including without limitation, the definitions of "**Cash Settlement Amount**" and "**Quotation Amount**"), when used in connection with Qualifying Guarantees are to be interpreted to be the then "**outstanding principal balance**" or "**Due and Payable Amount**", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee; and
- (vi) for the avoidance of doubt the provisions of this Condition 5.2I apply in respect of the definitions of "Obligation" and "Deliverable Obligation" as the context admits.

(d) *Determinations of Deliverable Obligation Category Characteristics*

- (i) For purposes of the application of the Deliverable Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.
- (ii) If "**Financial Reference Entity Terms**" and "**Governmental Intervention**" are specified as applicable in the relevant Final Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.
- (iii) For the purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in Condition 5.2H(b) (*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*) and Condition 5.2H(c) (*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*) to a Prior Deliverable Obligation or a Package Observable

Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.

- (iv) If "**Subordinated European Insurance Terms**" is specified as applicable in the relevant Final Terms, if an obligation would otherwise satisfy the "**Maximum Maturity**" Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

5.2J **Provisions relating to LPN Reference Entities**

The following provisions shall apply if the relevant Final Terms provide that "LPN Reference Entity" is applicable:

- (i) Multiple Holder Obligation will not be applicable with respect to any Reference Obligation and any Underlying Loan;
- (ii) each Reference Obligation will be an Obligation notwithstanding anything to the contrary in this Credit Linked Derivatives Annex, and in particular, that the obligation is not an obligation of the Reference Entity;
- (iii) each Reference Obligations will be a Deliverable Obligation notwithstanding anything to the contrary in this Credit Linked Derivatives Annex, and in particular, that the obligation is not an obligation of the Reference Entity;
- (iv) for the avoidance of doubt, with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Financial Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation; and
- (v) the "Not Subordinated" Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.

5.2K **Succession Event**

(a) *Single Reference Entity*

Where the Notes are linked to a single Reference Entity and more than one Successor has been identified, the following terms will apply:

- (i) each Successor will be a Reference Entity for the purposes of the Notes;
- (ii) the Reference Entity Notional Amount of each such Successor will be the Reference Entity Notional Amount applicable to the original Reference Entity divided by the number of Successors;
- (iii) the Notes will redeem or settle in part upon the occurrence of an Event Determination Date in respect of a Successor;
- (iv) the amount of interest accruing and payable in respect of the Notes will be reduced with effect from the date on which it would have been reduced upon the occurrence of an Event Determination Date in respect of the original Reference Entity but the balance on which interest is calculated shall only be reduced by the Reference Entity Notional Amount of the Successor in respect of which the relevant Event Determination Date occurred;
- (v) more than one Event Determination Date may occur but not more than one Event Determination Date may occur with respect to a single Successor; and
- (vi) upon the identification of more than one Successor, the Calculation Agent acting in its sole discretion may, without the consent of the Issuer, the Noteholders or the Paying

Agent, revise the terms and conditions of the Notes to account for such Successors and the Issuer will cause such revised terms and conditions to be substituted for the original terms and conditions and such revised terms and conditions shall be binding on the Issuer, the Noteholders, the Couponholders and the Paying Agent.

(b) *Nth-to-Default CLNs*

Where the Notes are linked to more than one Reference Entity and the Notes are issued on the basis that they will be redeemed in whole on the occurrence of an Event Determination Date in respect of a single Reference Entity and one or more Successors have been identified, the following terms will apply:

- (i) each Successor and each of the Reference Entities that do not have a Successor will be a Reference Entity for the purposes of the Notes, and the provisions of Condition 5.2K(a)(ii) (*Single Reference Entity*) shall apply thereto;
- (ii) if "Substitution" is specified as not being applicable in the Final Terms, where any Reference Entity (the "**Surviving Reference Entity**") would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**"), such Surviving Reference Entity shall be deemed to be a Successor to the Legacy Reference Entity;
- (iii) if "Substitution" is specified as being applicable in the Final Terms, where any Reference Entity (the "**Surviving Reference Entity**") would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**"):
 - (A) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and
 - (B) a replacement Reference Entity selected by the Calculation Agent acting in its sole discretion shall be deemed to be a Successor to the Legacy Reference Entity; and
- (iv) the Calculation Agent acting in its sole discretion may, without the consent of the Issuer, the Noteholders or the Paying Agent, revise the terms and conditions of the Notes to account for such Successors and the Issuer will cause such revised terms and conditions to be substituted for the original terms and conditions and such revised terms and conditions shall be binding on the Issuer, the Noteholders, the Couponholders and the Paying Agent.

(c) *Basket CLNs*

Where the Notes are linked to more than one Reference Entity but the Notes are not issued on the basis that they will be redeemed in whole on the occurrence of an Event Determination Date in respect of a single Reference Entity and one or more Successors have been identified, the following terms will apply:

- (i) the Reference Entity that has one or more Successors (the "**Affected Entity**") will no longer be a Reference Entity (unless it is a Successor as described in (ii) below);
- (ii) each Successor will be deemed a Reference Entity (in addition to each Reference Entity which is not an Affected Entity);
- (iii) the Reference Entity Notional Amount for each such Successor will equal the Reference Entity Notional Amount of the Affected Entity divided by the number of Successors; and
- (iv) the Calculation Agent acting in its sole discretion may, without the consent of the Issuer, the Noteholders or the Paying Agent, revise the terms and conditions of the Notes to account for such Successors and the Issuer will cause such revised terms and conditions to be substituted for the original terms and conditions and such revised terms and conditions shall be binding on the Issuer, the Noteholders, the Couponholders and the Paying Agent.

(d) *Substitute Reference Obligation on determination of one or more Successors*

Where:

- (i) a Reference Obligation is specified in the applicable Final Terms;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "**Substitute Reference Obligation**".

5.2L **Other Provisions**

(a) *Participation CLN*

If the Final Terms specifies that Participation CLN is applicable, the following terms will apply:

- (i) in addition to the provisions on interest ceasing to accrue under Condition 5.2A(b) (*Redemption following Satisfaction of Conditions to Settlement*), the obligation of the Issuer to redeem any Note or pay any interest on the Notes shall be conditional upon there being no Potential Failure to Pay or Failure to Pay in respect of any relevant Reference Entity (which need not be continuing on the relevant Interest Payment Date);
- (ii) the Payment Requirement and the Default Requirement shall be zero; and
- (iii) Notice of Publicly Available Information will not be applicable as a Condition to Settlement.

(b) *Determinations of the Calculation Agent and Determinations at Issuer's option*

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to this Credit Linked Derivatives Annex shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion and, unless otherwise expressly stated, is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. If the Calculation Agent chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent or the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

The exercise of any option of the Issuer or determination by the Issuer of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Issuer pursuant to this Credit Linked Derivatives Annex shall be final and binding on the Calculation Agent and the Noteholders and shall not be required to be notified to the Calculation Agent or the Noteholders. The Issuer shall act in its sole and absolute discretion and, unless otherwise expressly stated, is not bound to follow or act in accordance with any determination of the relevant Credit Derivatives Determinations Committee. Whenever the Issuer is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. If the Issuer chooses to rely on the determinations of the relevant Credit Derivatives Determinations Committee it may do so without liability. Any delay, deferral or forbearance by the Issuer in the performance or exercise of any of its obligations or its discretion under the Notes

including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent or the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

(c) *Calculation Agent Responsibility*

The Calculation Agent shall be responsible for:

- (i) determining whether a Credit Event or Potential Credit Event has occurred
- (ii) determining the identity of any Successor to the Reference Entity;
- (iii) determining whether an event specified in paragraph (i) of the definition of "**Substitute Reference Obligation**" has occurred;
- (iv) identifying and determining a Substitute Reference Obligation;
- (v) obtaining Quotations (and, if necessary, determining whether such Quotations shall include or exclude accrued but unpaid interest) and determining the Final Price, Cash Settlement Amount and Partial Cash Settlement Amount;
- (vi) converting the Quotation Amount into the relevant Obligation Currency;
- (vii) determining the Dealers and substituting Dealers;
- (viii) determining the Currency Rate;
- (ix) determining the Auction Settlement Amount and Cash Settlement Amount;
- (x) determining the Break Costs;
- (xi) determining the Outstanding Principal Balance and/or any Due and Payable Amount;
- (xii) determining the Largest Asset Package;
- (xiii) determining the Asset Market Value; and
- (xiv) determining the Partial Cash Settlement Amount.

The Calculation Agent shall, as soon as practicable after obtaining any Quotation, notify the Noteholders in writing of each such Quotation that it receives in connection with the calculation of the Final Price and shall provide to the Noteholders a written computation showing its calculation of the Final Price. Whenever the Calculation Agent is required to act or to exercise judgment, it will do so in good faith and in a commercially reasonable manner.

(d) *Changes in Standard Terms and Market Conventions*

If the Calculation Agent determines, acting reasonably, that from time to time there has been a change in prevailing market standard terms or market trading conventions, which change affects any Hedge Transaction such that the terms of such Hedge Transaction are or may thenceforth be inconsistent with corresponding provisions of this Credit Linked Derivatives Annex, then it may, without the consent of the Issuer, the Noteholders or the Paying Agent, modify this Credit Linked Derivatives Annex to the extent necessary to preserve such consistency. The Calculation Agent shall notify the Issuer and the Paying Agent as soon as reasonably practicable upon making any such determination.

(e) *Effectiveness of Notices*

Any Credit Event Notice, Notice of Publicly Available Information, Notice of Physical Settlement (or amendment or correction thereto) or Potential Credit Event Notice from the Calculation Agent which is delivered on or prior to 5:00 p.m. (London time) on a London

Business Day is effective on such date and if delivered after such time or on a day that is not a London Business Day, is deemed effective on the next following London Business Day. Any such notice may be in writing (including by facsimile and/or email) and/or by telephone. For so long as the Notes are held on behalf of a Clearing System, for the purpose of this Credit Linked Derivatives Annex, any notice in writing delivered to the Relevant Clearing System shall be treated as "delivered" to Noteholders when delivered to the Relevant Clearing System, whether by email, by facsimile, by hand or any other method of delivery accepted by the Relevant Clearing Systems for notices for onward transmission to its accountholders.

(f) *Prevailing terms*

In the event of any inconsistency between the Conditions and this Credit Linked Derivatives Annex, this Credit Linked Derivatives Annex will prevail. In the event of any inconsistency between the Final Terms and the Conditions and this Credit Linked Derivatives Annex, the Final Terms will prevail.

(g) *Time Zones*

In order to determine the day on which an event occurs for purposes of these Additional Conditions, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

(h) *Payment Timing*

Notwithstanding the definition of Credit Event Notice and paragraph (g) (*Time Zones*) above, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

18. **Definitions**

For the purposes of Conditions 5.2A, 5.2B, 5.2C, 5.2D, 5.2E, 5.2F, 5.2G, 5.2H, 5.2I, 5.2J, 5.2K and 5.2L, the following words shall have the following meaning:

"Accelerated or Matured" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws;

"Accrued Interest" means with respect to Notes for which:

- (a) "Physical Settlement" applies (or for which Physical Settlement is applicable as the Fallback Settlement Method in accordance with the terms relating to Auction Settlement), the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified as applicable in the related Final Terms, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Calculation Agent shall determine);
- (b) "Cash Settlement" applies (or if Cash Settlement is applicable as the Fallback Settlement Method in accordance with the terms relating to Auction Settlement), and:
 - (i) "Include Accrued Interest" is specified as applicable in the related Final Terms, the Outstanding Principal Balance of the Reference Obligation shall include accrued but unpaid interest;

- (ii) "Exclude Accrued Interest" is specified as applicable in the related Final Terms, the Outstanding Principal Balance of the Reference Obligation shall not include accrued but unpaid interest; or
- (iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applicable in the related Final Terms, the Calculation Agent shall determine, based on the then current market practice in the market of the Reference Obligation whether the Outstanding Principal Balance of the Reference Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or
- (c) Condition 5.2G(g) (*Partial Cash Settlement due to impossibility, impracticability or illegality*) is applicable, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, whether such Quotations shall include or exclude accrued but unpaid interest;

"**Additional LPN**" means any bond issued in the form of a loan participation note (an "**LPN**") by an entity (the "**LPN Issuer**") for the sole purpose of providing funds for the LPN Issuer to:

- (a) finance a loan to the Reference Entity (the "**Underlying Loan**"); or
- (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the "**Underlying Finance Instrument**"); **provided that:**
 - (i) either:
 - (A) in the event that there is an Underlying Loan with respect to such LPN, the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or
 - (B) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics;
 - (ii) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Specified Currencies – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and
 - (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of holders of the LPNs;

"**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the relevant "LPN Reference Obligation List" as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php>;

"**Additional Provisions**" means any additional provisions from time to time published by ISDA for use in the over the counter credit derivatives market and specified in the Final Terms as applicable in relation to a Reference Entity which may include:

- (a) the Additional Provisions for Physically Settled Default Swaps - Monoline Insurer as Reference Entity, as published by ISDA on 21 January 2005; or
- (b) any other provisions specified in the Final Terms in relation to such Reference Entity;

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or

indirectly under common control with the person. For this purpose "control" of any entity or person means ownership of a majority of the voting power of the entity or person;

"Asset" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or asset no longer exists);

"Asset Market Value" means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

"Asset Package" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero;

"Asset Package Credit Event" means:

- (a) if "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable in the Final Terms:
 - (i) a Governmental Intervention; or
 - (ii) Restructuring in respect of the Reference Obligation, if "Restructuring" is specified as applicable in the Final Terms and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and "Restructuring" is specified as applicable in the Final Terms, a Restructuring,

In each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement;

"Asset Transfer Notice" means a notice that complies with Condition 5.2G(f) (*Asset Transfer Notice Requirements*), issued by a Noteholder to the Issuer and copied to the Calculation Agent and the Paying Agent, in connection with a redemption of any Note wholly or in part by way of Physical Settlement (substantially in the form in the relevant Appendix hereto or as subsequently provided or made available to Noteholders by the Issuer or the Calculation Agent from time to time);

"Assignable Loan" means a Loan that is capable of being assigned or novated to at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

"Auction" has the meaning set forth in the relevant Transaction Auction Settlement Terms;

"Auction Cancellation Date" has the meaning set forth in the Transaction Auction Settlement Terms;

"Auction Covered Transaction" has the meaning set forth in the Transaction Auction Settlement Terms;

"Auction Final Price" has the meaning set forth in the Transaction Auction Settlement Terms;

"Auction Final Price Determination Date" has the meaning set forth in the Transaction Auction Settlement Terms;

"Auction Settlement Amount Notice" means a notice (which may be in writing (including by facsimile and/or email) and/or by telephone) given by the Calculation Agent to the Noteholders within 30 Business Days from the Auction Final Price Determination Date or, if so determined by the Issuer in its sole discretion, a Parallel Auction Final Price Determination Date, specifying the Auction Settlement Amount;

"Auction Settlement Date" means the date that is three Business Days following delivery by the Calculation Agent of the Auction Settlement Amount Notice;

"Bankruptcy" means with respect to a Reference Entity, such Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due, (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective, (d) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof, (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter, or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) (inclusive) above;

"Best Available Information" means:

- (a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, *pro forma* financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, *pro forma* financial information and, if provided subsequently to the provision of unconsolidated, *pro forma* financial information but before the Calculation Agent makes its determination for the purposes of the definition of "Successor", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent or the Credit Derivatives Determinations Committee to allow it to make a determination for the purposes of the definition of "Successor",

provided that information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information;

"Bond" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

"Bond or Loan" means any obligation that is either a Bond or a Loan;

"Borrowed Money" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of money, (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

"Break Costs" shall, in respect of each Note, be the product of (a) the outstanding principal amount of such Note divided by the aggregate outstanding principal amount of the Notes, and (b) the amount (the **"Aggregate Break Costs"**) determined by the Calculation Agent as the costs and/or loss incurred by the Issuer and/or any of its Affiliates under any Hedge Transaction(s) as the result of adjusting, unwinding or terminating such Hedge Transaction(s) (or that it would have incurred had it entered into any such Hedge Transaction), subject to a minimum of zero.

"Cash Settlement Amount" of any Note means an amount determined in accordance with Condition 5.2F (*Cash Settlement*);

"Cash Settlement Date" means the date that is three Business Days following the calculation of the Final Price or, as the case may be, the Weighted Average Final Price;

"Conditionally Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of both the NOPS Effective Date and the Delivery Date, **provided, however, that** a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of "Conditionally Transferable Obligation", such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Calculation Agent;

"Conditions to Settlement" shall have the meaning specified in Condition 5.2C (*Satisfaction of Conditions to Settlement*);

"Conforming Reference Obligation" means a Reference Obligation which is a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation".

"Consent Required Loan" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent;

"Credit Derivatives Auction Settlement Terms" means, in relation to any Reference Entity, any Credit Derivatives Auction Settlement Terms a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time;

"Credit Derivatives Definitions" means the 2014 ISDA Credit Derivatives Definitions, as published by ISDA and, in addition, if Additional Provisions are specified to be applicable in the Final Terms, as supplemented by the Additional Provisions;

"Credit Derivatives Determinations Committee" means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with Credit Derivative Transactions;

"Credit Event" means the occurrence of one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention as specified in the Final Terms with respect to a Reference Entity.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;

"Credit Event Backstop Date" means (a) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (i)(B) of the definition thereof) as determined by DC Resolution, the date that is sixty calendar days prior to the Credit Event Resolution Request Date, or (b) otherwise, the date that is sixty calendar days prior to the earlier of (i) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period and (ii) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention;

"Credit Event Notice" means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Issuer or the Calculation Agent to the Noteholders that describes a Credit Event that occurred on or after the Credit Event Backstop Date (if specified as applicable in the Final Terms), or, otherwise, the Trade Date (in each case, determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

The Credit Event Notice shall contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. The Credit Event Notice may be substantially in the form in the relevant Appendix hereto with any amendments as determined by the Issuer or the Calculation Agent from time to time;

"Credit Event Resolution Request Date" means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was

effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

"Currency Amount" means with respect to:

- (a) a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate; and
- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that portion of the relevant Reference Entity Notional Amount into the currency of denomination of the relevant Replacement Deliverable Obligation;

"Currency Rate" means with respect to:

- (a) a Deliverable Obligation specified in the Notice of Physical Settlement or a selected Valuation Obligation, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either:
 - (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time; or
 - (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner; and
- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate;

"Currency Rate Source" means any source as determined by the Calculation Agent in its sole discretion, including without limitation, the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee;

"Cut-Off Date" shall have the meaning specified in Condition 5.2G(e) (*Asset Transfer Notice*);

"DC Announcement Coverage Cut-off Date" means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

"DC Credit Event Announcement" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event for purposes of the Notes has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Scheduled Redemption Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

"DC Credit Event Meeting Announcement" means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

"DC Credit Event Question Dismissal" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

"DC Credit Event Question" means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event for purposes of the Notes has occurred.

"DC No Credit Event Announcement" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

For the avoidance of doubt, a DC No Credit Event Announcement shall not apply in respect of the Notes unless the Issuer otherwise elects in its sole discretion;

"DC Party" has the meaning given to that term in the DC Rules

"DC Resolution" shall have the meaning given to that term in the DC Rules;

"DC Rules" means the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof;

"DC Secretary" has the meaning given to the that term in the DC Rules;

"Dealer" means a dealer (other than the Issuer or any Affiliate of the Issuer) in obligations of the type of Obligation(s) for which Quotations are to be obtained, as selected by the Calculation Agent;

"Default Requirement" means, if a Transaction Type is specified, the amount (if any) specified as such in the Physical Settlement Matrix, or otherwise U.S.\$10,000,000 or its equivalent in the Obligation Currency (or as specified in relation to a "Participation CLN" in the Final Terms), in either case as of the occurrence of the relevant Credit Event;

"Deliver", **"Delivered"** and **"Delivery"** shall have the meaning specified in Condition 5.2G(d) (*Delivery*);

"Deliverable Amount" means Deliverable Obligations having an Outstanding Amount (or the equivalent specified Currency Amount converted at the Currency Rate) on or around any day on or prior to the Delivery Date as selected by the Calculation Agent in its sole discretion (**provided that** if a Notice of Physical Settlement is given or, as the case may be, amended or changed at any time after such day, such other date after such Notice of Physical Settlement is given or, as the case may be, amended or changed) or otherwise as determined by the Calculation Agent in its sole discretion equal to the Reference Entity Notional Amount (or, as applicable, Exercise Amount), subject to any Physical Settlement Adjustment;

"Deliverable Obligation" means, subject to Condition 5.2H(b) (*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*) and Condition 5.2H(c) (*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*):

- (a) any obligation of the Reference Entity described by the Deliverable Obligation Category specified in the applicable Final Terms and, subject to Condition 5.2I (*Provisions relating to Obligation Category and Characteristics and Deliverable Obligation Category and Characteristics*), having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case as of both the NOPS Effective Date and the Delivery Date (unless otherwise specified in the related Final Terms);
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation;

- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "Financial Reference Entity Terms" is specified as applicable in the relevant Final Terms) or any Package Observable Bond (if the Reference Entity is a Sovereign); and
- (e) any other obligation of a Reference Entity specified as such in the Final Terms;

in each case, (i) unless it is an Excluded Deliverable Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of sub-paragraph (d) above, immediately prior to the relevant Asset Package Credit Event);

"Deliverable Obligation Category" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined herein, except that, for the purpose of determining Deliverable Obligations, the definition of Reference Obligations Only shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only);

"Deliverable Obligation Characteristics" means (a) any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer as specified in the Final Terms or (b) none if not specified in the Final Terms;

"Deliverable Obligation Provisions" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms;

"Deliverable Obligation Terms" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms;

"Delivery Date" means, with respect to a Deliverable Obligation or an Asset Package, the date on which such Deliverable Obligation is Delivered or deemed to be Delivered;

"Delivery Expenses" shall have the meaning specified in Condition 5.2G(i) (*Costs and Expenses*);

"Direct Loan Participation" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of a contractual right in favour of the Noteholder that provides such Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between such Noteholder and either (a) the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate), or (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

"Domestic Currency" means the currency specified as such in the Final Terms and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign;

"Domestic Law" means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign;

"Downstream Affiliate" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity;

"Due and Payable Amount" means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion

of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on either (A) the NOPS Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date) or (B) the Valuation Date, as applicable;

"Eligible Information" means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information;

"Eligible Transferee" means each of the following:

- (a) each of:
 - (i) any bank or other financial institution;
 - (ii) an insurance or reinsurance company;
 - (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in (c)(i) below); and
 - (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship),

provided however, in each case that such entity has total assets of at least U.S.\$500 million;
- (b) an Affiliate of an entity specified in (a) above;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least U.S.\$100 million or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
 - (ii) that has total assets of at least U.S.\$500 million; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in (a), (b), (c)(ii) or (d) hereof;
- (d) a Sovereign; and
- (e) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development,

and where all references in this definition to U.S.\$ include equivalent amounts in other currencies;

"Event Determination Date" shall have the meaning specified in Condition 5.2C (*Satisfaction of the Conditions to Settlement*);

"Excluded Deliverable Obligation" means:

- (a) any obligation of the Reference Entity specified as such or of a type specified in the relevant Final Terms;

- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event

"Excluded Obligation" means:

- (a) any obligation of the Reference Entity specified as such or of a type described in the applicable Final Terms;
- (b) if "Financial Reference Entity Terms" is specified as applicable in the relevant Final Terms and the Note is a Senior Security, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "Financial Reference Entity Terms" is specified as applicable in the relevant Final Terms and the Note is a Subordinated Security, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation;

"Extension Date" means the latest of (a) the Scheduled Redemption Date, (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable in the related Final Terms and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Redemption Date and (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in the related Final Terms, as applicable.

"Failure to Pay" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, save that if an occurrence that would constitute a Failure Pay (a) is the result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination;

"Fallback Settlement Event" means:

- (a) an Auction Cancellation Date occurs;
- (b) a No Auction Announcement Date occurs (unless otherwise determined by the Issuer in its sole discretion, in circumstances where such No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of "No Auction Announcement Date");
- (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" for the purposes of credit derivatives transactions for such Reference Entity in the over the counter market (including any Hedge Transaction);
- (d) an Event Determination Date has occurred pursuant to paragraph (i) of the definition of "Conditions to Settlement" and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date; or
- (e) any other event whether or not relating to any Hedge Transaction as determined by the Issuer in its sole discretion;

"Fallback Settlement Method" means, Cash Settlement or Physical Settlement, as specified in the Final Terms or if "Fallback Settlement Method at Issuer Option" applies, as specified in the relevant notice from the Calculation Agent;

"Final List" has the meaning given to that term in the DC Rules;

"Final Price" means, with respect to any Valuation Obligation or Deliverable Obligation, the price of such Valuation Obligation or Deliverable Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined by the Calculation Agent in accordance with Condition 5.2F(c) (*Final Price*);

"Fixed Cap" means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs);

"Fractional Entitlement" shall have the meaning specified in Condition 5.2G(h) (*Fractional Entitlement*);

"Full Quotation" means a firm quotation (expressed as a percentage of the outstanding principal balance) obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of any Valuation Obligation or Deliverable Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount;

"Fully Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case as of both the NOPS effective Date and the Delivery Date. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition;

"Further Subordinated Obligation" means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto;

"Governmental Authority" means:

- (a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in (a) to (c) above;

"Governmental Intervention" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors' rights so as to cause:
 - (i) a reduction in the rate of amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (iii) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has analogous effect to any of the effects specified above,

For the purposes of this definition, the term Obligation shall be deemed to include Underlying Obligation for which the Reference Entity is acting as provider of a Guarantee;

"Grace Period" means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified in the Final Terms in relation to the relevant Reference Entity as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Final Terms or, if no period is specified, thirty calendar days; and
- (c) if, at the date as of which an obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation, **provided that**, unless Grace Period Extension is specified in the Final Terms as applicable in relation to the relevant Reference Entity, such deemed Grace Period shall expire no later than the Scheduled Termination Date;

"Grace Period Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified (a) if the Obligation Currency is the euro, a TARGET Business Day, or (b) otherwise, a day on which

commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency;

"Grace Period Extension Date" means, if (a) Grace Period Extension is specified in the Final Terms as applicable in relation to a Reference Entity and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified in the Final Terms as applicable in relation to the relevant Reference Entity, Grace Period Extension shall not apply;

"Guarantee" means a Relevant Guarantee or a guarantee which is the Reference Obligation;

"Hedge Transaction" means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Notes or any hypothetical transaction or trading position relating to the Issuer's obligations or positions (whether in whole or in part) in respect of the Notes, as determined by the Calculation Agent;

"ISDA" means the International Swaps and Derivatives Association, Inc. (or any successor thereto);

"Largest Asset Package" means, in respect of a Prior Deliverable Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package, will be the package of Assets with the highest immediately realisable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determination Committee;

"Latest Permissible Physical Settlement Date" means the date that, in respect of Condition 5.2G(g)(ii) (*Partial Cash Settlement due to impossibility, impracticability or illegality*), is 30 calendar days after the Physical Settlement Date;

"Limitation Date" means the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **"2.5-year Limitation Date"**), 5 years, 7.5 years, 10 years (the **"10-year Limitation Date"**), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless the parties specify in the Final Terms that Limitation Dates will be adjusted in accordance with a specified Business Day Convention;

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange;

"Loan" means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money;

"London Business Day" means a day other than a Saturday or Sunday on which commercial banks are generally open for business in London;

"LPN Reference Obligation" means each Reference Obligation other than any Additional Obligation which is issued for the sole purpose of providing funds to the LPN Issuer to finance an Underlying Loan. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation;

"Market-maker" means a hypothetical dealer in the market for swap transactions;

"Market Value" means, with respect to a Valuation Obligation or Deliverable Obligation on a Valuation Date, the price determined by the Calculation Agent on the basis of bid Quotations provided by Dealers and expressed as a percentage of the Reference Obligation's Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date;

"Maximum Maturity" means an obligation that has a remaining maturity of not greater than the period specified in relation to a Reference Entity in the Final Terms (or, if no such period is specified, 30 years);

"Minimum Quotation Amount" means the amount specified in relation to a Reference Entity in the Final Terms or its equivalent in the relevant Obligation Currency (or, if no amount is specified, the lower of (a) U.S.\$1,000,000 (or its equivalent in the Obligation Currency), and (b) the Quotation Amount);

"M(M)R Restructuring" means a Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable in the Final Terms;

"Modified Eligible Transferee" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets;

"Modified Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation or Valuation Obligation, the Limitation Date occurring on or immediately following the Scheduled Termination Date.

Subject to the foregoing, if the Scheduled Termination Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Termination Date.

"Multiple Holder Obligation" means an Obligation that:

- (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other; and
- (b) with respect to which a percentage of holders (determined pursuant to the terms of such Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event that constitutes a Restructuring Credit Event,

provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in paragraph (b) above;

"Next Currency Fixing Time" means such time on any day on or prior to the Delivery Date or, as applicable, Cash Settlement Date, as selected by the Calculation Agent in its sole discretion;

"No Auction Announcement Date" means, with respect to a Credit Event, the date on which the DC Secretary first publicly announces that:

- (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published;
- (b) following the occurrence of an M(M)R Restructuring no Transaction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary where either (i) no Parallel Auction will be held, or (ii) one or more Parallel Auctions will be held;

"Non-Conforming Reference Obligation" means a Reference Obligation which is not a Conforming Reference Obligation;

"Non-Conforming Substitute Reference Obligation" means an obligation which would be a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation" on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable);

"Non-Financial Instrument" means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets;

"Non-Standard Reference Obligation" means the Original Non-Standard Reference Obligation or, if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

"Non-Transferable Instrument" means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions;

"NOPS Effective Date" means the date on which an effective Notice of Physical Settlement or NOPS Amendment Notice, as the case may be, is delivered by the Calculation Agent;

"Not Bearer" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognised clearing system;

"Not Domestic Currency" means any obligation that is payable in any currency other than the Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency;

"Not Domestic Issuance" means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity;

"Not Domestic Law" means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law;

"Not Sovereign Lender" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";

"Not Subordinated" means an obligation that is not Subordinated to (a) the Reference Obligation or, (b) the Prior Reference Obligation, if applicable;

"Notice Delivery Date" means the first date on which both an effective Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the related Final Terms, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent to the Noteholders;

"Notice Delivery Period" means the period from and including the Trade Date to and including the second Business Day falling after the date that is 14 calendar days after the Extension Date;

"Notice of Physical Settlement" means a notice (which may be in writing (including by facsimile and/or email) and/or by telephone) that:

- (a) irrevocably confirms that the Issuer will redeem the Notes by physical delivery;
- (b) contains a detailed description of each Deliverable Obligations that the Issuer will Deliver (or procure Delivery of) to the Noteholders including if available and applicable the CUSIP or ISIN number (or, if such identifying number is not available, the rate and tenor) of each such Deliverable Obligation; and
- (c) specifies the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency (in each case, the **"Outstanding Amount"**) and, if different, the face amount of each such Deliverable Obligation and the aggregate Outstanding Amount of all Deliverable Obligations specified in the Notice of Physical Settlement that the Calculation Agent intends to deliver to the Noteholders.

The Notice of Physical Settlement may be substantially in the form in the relevant Appendix hereto with any amendments as determined by the Issuer or the Calculation Agent from time to time.

The Calculation Agent may, from time to time, notify the Noteholders in the manner specified above (each such notification, a **"NOPS Amendment Notice"**) that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof. A NOPS Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that the Issuer will, subject to Condition 5.2G, Deliver to the Noteholders (each, a **"Replacement Deliverable Obligation"**) and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the **"Replaced Deliverable Obligation Outstanding Amount"**). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Outstanding Amount of the Replacement Deliverable Obligations specified in any NOPS Amendment Notice in aggregate with the Outstanding Amount of the Deliverable Obligations specified in the Notice of Physical Settlement or any earlier NOPS Amendment Notice which, in each case are not being replaced must not be greater than the Aggregate Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice).

Notwithstanding the foregoing, (i) the Calculation Agent may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to the Noteholders (given in the manner specified above) prior to the relevant Delivery Date and (ii) if Asset Package Delivery is applicable, Buyer shall on the NOPS Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Noteholders of the detailed description of the Asset Package, if any, that it intends to Deliver to the Noteholders in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Notice of Physical Settlement or NOPS Amendment Notice, as applicable, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice.

The NOPS Amendment Notice may be substantially in the form in the relevant Appendix hereto with any amendments as determined by the Issuer or the Calculation Agent from time to time;

"Notice of Publicly Available Information" means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to the Noteholders that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a

description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is applicable and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

"Obligation" means:

- (a) each obligation of each Reference Entity described by the Obligation Category specified in the applicable Final Terms and having each of the Obligation Characteristics, if any, specified in the applicable Final Terms, in each case immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable; and
- (b) the Reference Obligation,

in each case, unless it is an Excluded Obligation;

"Obligation Acceleration" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations;

"Obligation Category" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Final Terms in relation to a Reference Entity;

"Obligation Characteristics" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance as specified in the Final Terms in relation to a Reference Entity;

"Obligation Currency" means, with respect to an Obligation, the currency in which the Obligation is denominated;

"Obligation Default" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations;

"Original Non-Standard Reference Obligation" means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in the related Final Terms (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the Notes (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless otherwise specified in the related Final Terms;

"Outstanding Principal Balance" means, in respect of an obligation, an amount calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest, the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);

- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined pursuant to sub-paragraph (a) above less any amounts subtracted in accordance with accordance with this sub-paragraph (b), the "**Non-Contingent Amount**"); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (a) unless otherwise specified, in accordance with the terms of the obligation in effect on either (I) the NOPS Effective Date (or if the terms of the obligation are amended after such date but on or prior to the Delivery Date, the Delivery Date), or (II) the Valuation Date, as applicable; and
- (b) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation);

"Package Observable Bond" means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (a) or (b) of the definition of Deliverable Obligation, in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective;

"Parallel Auction" means "Auction" as defined in the relevant Parallel Auction Settlement Terms;

"Parallel Auction Cancellation Date" means "Auction Cancellation Date" as defined in the relevant Parallel Auction Settlement Terms;

"Parallel Auction Final Price" means "Auction Final Price" as defined in the relevant Parallel Auction Settlement Terms;

"Parallel Auction Final Price Determination Date" means "Auction Final Price Determination Date" as defined in the relevant Parallel Auction Settlement Terms;

"Parallel Auction Settlement Terms" means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions applicable to a credit derivative transaction (including any Hedge Transaction) and for which such credit derivative transaction (including any Hedge Transaction) would not be an Auction Covered Transaction;

"Partial Cash Settlement Amount" means, for each Undeliverable Obligation, the greater of (A) the product of the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation multiplied by the Final Price of such Undeliverable Obligation, as determined by the Calculation Agent and (B) zero;

"Partial Cash Settlement Date" means the date specified in the Final Terms, or, if such date is not so specified, means the date that is three Business Days after the calculation of the Final Price;

"Payment" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

"Payment Requirement" means the amount specified in the Final Terms or its equivalent in the Obligation Currency or, if no such amount is specified, U.S.\$1,000,000 or its equivalent in the

Obligation Currency (or as specified in relation to a "Participation CLN"), in each case as of the occurrence of the relevant Failure to Pay;

"Permissible Deliverable Obligations" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction;

"Permitted Contingency" means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

- (a) as a result of the application of:
 - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
 - (ii) provisions implementing the Subordination of the obligation;
 - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
 - (iv) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the related Final Terms; or
 - (v) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the related Final Terms; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation;

"Permitted Transfer" means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee;

"Physical Settlement Adjustment" means a reduction to the Outstanding Amount of Deliverable Obligations specified in a Notice of Physical Settlement or NOPS Amendment Notice, by an amount of Deliverable Obligations having a liquidation value equal to the Aggregate Break Costs (as defined in the definition of "Break Costs") or its equivalent in the Obligation Currency as determined by the Calculation Agent in its sole discretion, rounded upwards to the nearest whole denomination of the relevant Deliverable Obligation, such amount to be determined by the Calculation Agent;

"Physical Settlement Date" means the last day of the longest Physical Settlement Period following the NOPS Cut-Off Date;

"Physical Settlement Matrix" means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions, as most recently amended or supplemented as at the Issue Date (unless otherwise specified in the Final Terms in relation to a Reference Entity) and as published by ISDA, currently at <http://www.isda.org>, **provided that** any reference therein to (a) "Confirmation" shall be deemed to be a reference to the applicable Final Terms, (b) "Floating Rate Payer Calculation Amount" shall be deemed to be a reference to the Specified Currency, (c) "Section 3.3 of the Definitions" shall be deemed to be a reference to "Credit Event Notice" as defined in this Credit Linked Derivatives Annex, (d) "Section 3.9" shall be deemed to be a reference to Condition 5.2H(a) (*Multiple Credit Event Notices*) and (e) "Section 8.6" shall be deemed to be a reference to "Physical Settlement Period" as defined in this Credit Linked Derivatives Annex;

"Physical Settlement Period" means, subject to Condition 5.2B(b) (*Settlement Suspension following Credit Event Resolution Request Date*), the number of Business Days specified as such in the Final Terms in relation to a Reference Entity or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement or NOPS Amendment Notice, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as the Calculation Agent shall determine, provided that if the Issuer or Calculation Agent has notified the Noteholders that the Issuer intends to Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be 30 Business Days;

"Post Dismissal Additional Period" means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

"Potential Credit Event" means, and shall be deemed to have occurred, if the Calculation Agent determines that:

- (a) a Credit Event;
 - (b) a Potential Failure to Pay if (i) Grace Period Extension is specified as applicable in relation to any Reference Entity, and/or (ii) Failure to Pay is an applicable Credit Event in relation to such Reference Entity; and/or
 - (c) a Potential Repudiation/Moratorium if Repudiation/Moratorium is an applicable Credit Event in relation to any Reference Entity,
- (in each of paragraphs (a), (b) and (c) above) has occurred or may occur on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); and/or
- (d) a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period;

"Potential Credit Event Notice" means:

- (a) a Repudiation/Moratorium Extension Notice;
- (b) a notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to the Noteholders, at or prior to 5.00 p.m. (London time) on or prior to the second London Business Day following the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), that a Credit Event or Potential Failure to Pay has occurred or may occur on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); or
- (c) a notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to the Noteholders, at or prior to 5.00 p.m. (London time) on or prior to the second London Business Day following the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), that a Credit Event Resolution Request Date has occurred or may occur on or prior to the last day of the Notice Delivery Period.

A Potential Credit Event Notice shall be subject to the requirements regarding notices contained in Condition 5.2L(e) (*Effectiveness of Notices*);

"Potential Failure to Pay" means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations;

"Potential Repudiation/Moratorium" means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium;

"Prior Deliverable Obligation" means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (a) or (b) of the definition of Deliverable Obligation, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any;

"Prior Reference Obligation" means, in circumstances where there is no Reference Obligation applicable to the Notes, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the relevant Final Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;

"Private-side Loan" means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information;

"Prohibited Action" means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of Credit Event) or right of setoff by or of the Reference Entity or any applicable Underlying Obligor;

"Publicly Available Information" means information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in a Credit Event Notice has occurred and which (a) has been published in or on not less than two internationally recognised published or electronically displayed news sources, regardless of whether the reader or user thereof pays a fee to obtain such information; **provided that**, if the Issuer or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (b) is information received from or published by (i) the relevant Reference Entity (or if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the Central Bank) of such Sovereign) (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, or (c) is information contained in any order, decree, notice or filing however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative or judicial body, **provided that**:

- (a) where any information of the type described in (b) or (c) above is not publicly available, it can constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information;

- (b) in relation to any information of the type described in (b) or (c) above, each Noteholder may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the Calculation Agent has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information;
- (c) Publicly Available Information need not state (a) in relation to a Downstream Affiliate, the percentage of Voting Shares owned, directly or indirectly by the Reference Entity and (b) that such occurrence (I) has met the Payment Requirement or Default Requirement, (II) is the result of exceeding any applicable Grace Period or (III) has met the subjective criteria specified in certain Credit Events; and
- (d) in relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both limbs of the definition of Repudiation/Moratorium;

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity;

"Qualifying Guarantee" means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
 - (i) by payment;
 - (ii) by way of Permitted Transfer;
 - (iii) by operation of law;
 - (iv) due to the existence of a Fixed Cap; or
 - (v) due to:
 - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the relevant Final Terms; or
 - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the relevant Final Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type

described in the definition of "Bankruptcy" in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (x) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- (y) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee;

"Qualifying Participation Seller" means any participation seller that meets the requirements specified in the Final Terms in relation to a Reference Entity. If no such requirements are specified, there shall be no Qualifying Participation Seller;

"Quantum of the Claim" means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount;

"Quotation" means each Full Quotation and the Weighted Average Quotation obtained and expressed in the manner set out in the definition of Market Value;

"Quotation Amount" means the sum so specified in the Final Terms in relation to a Reference Entity (which may be specified by reference to an amount in a currency or by reference to Representative Amount) or, if no amount is so specified, the relevant Reference Entity Notional Amount or, if the Calculation Agent selects more than one Valuation Obligation with respect to a Reference Entity, the relevant outstanding principal balance apportioned to such Valuation Obligation (or, in either case, its equivalent in the relevant Obligation Currency which shall be converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);

"Quotation Method" means that only bid quotations shall be requested from Dealers in obtaining Quotations;

"Reference Entity" means the entity specified as such in the Final Terms. Any Successor to the Reference Entity either (a) as identified by the Calculation Agent in accordance with the definition of "Successor" on or following the Trade Date; or (b) at the Issuer's option, identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be a Reference Entity for the Notes, as the terms of which may be modified pursuant to Condition 5.2K (*Succession Event*);

"Reference Entity Notional Amount" means the amount as specified in the Final Terms;

"Reference Obligation" means, in respect of a Reference Entity and subject to the applicable Final Terms:

- (a) for the purposes of **"Terms relating to Cash Settlement"** or **"Terms relating to Physical Settlement and Delivery"**, an obligation of the Reference Entity satisfying the definition of Deliverable Obligation in accordance with these Additional Conditions as selected by the Issuer in its discretion;
- (b) for all other purposes (including the determination of Seniority Level), the Standard Reference Obligation described in the applicable Final Terms (if any are so specified or described) and any Substitute Reference Obligation identified in accordance with Credit Linked Condition 8.3, unless:

- (i) "Standard Reference Obligation" is specified as not applicable in the related Final Terms, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or
- (ii) "Standard Reference Obligation" is specified as applicable in the related Final Terms (or no election is specified in the related Final Terms), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the related Final Terms, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

"Reference Obligations Only" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;

"Reference Price" means the percentage specified as such in the Final Terms, or, if a percentage is not so specified, one hundred per cent.;

"Relevant City Business Day" has the meaning given to that term in the DC Rules;

"Relevant Guarantee" means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the related Final Terms, a Qualifying Guarantee;

"Relevant Holder" means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the Relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Notice of Physical Settlement, or NOPS Amendment Notice, as applicable.

"Relevant Obligations" means the Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under Credit Linked Condition 8.1.1(i), make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if "Financial Reference Entity Terms" is specified as applicable in the related Final Terms and the Note is a Senior Security, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan"; and
- (d) if "Financial Reference Entity Terms" is specified as applicable in the related Final Terms and the Note is a Subordinated Security, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "Bond or Loan", provided that if no such Relevant Obligations exist, "Relevant Obligations" shall have the same meaning as it would if the Note were a Senior Security.

"Relevant Proportion" means the proportion which the principal amount of the Note or Notes the subject of an Asset Transfer Notice bears to the aggregate principal amount of all Notes

outstanding (including those the subject of the Asset Transfer Notice) immediately prior to the date set for redemption;

"Replacement Reference Entity" means an entity selected by the Calculation Agent in its discretion which is incorporated in the same geographical area, has the same Transaction Type as the Legacy Reference Entity and which is of a similar or better credit quality than the Legacy Reference Entity, as measured by Standard & Poor's Ratings Services and/or by Moody's Investors Service Limited, at the date of the relevant Succession Event **provided that** in selecting any Replacement Reference Entity, the Calculation Agent is under no obligation to the Noteholders, the Issuer or any other person and, **provided that** the Successor selected meets the criteria specified above, is entitled, and indeed will endeavour, to select the least credit-worthy of the Successors. In making any selection, the Calculation Agent will not be liable to account to the Noteholders, the Issuer or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection;

"Representative Amount" means an amount that is representative for a single transaction in the relevant market and at the relevant time such amount to be determined by the Calculation Agent;

"Repudiation/Moratorium" means the occurrence of both the following events: (i) an authorised officer of the Reference Entity or a Governmental Authority (I) disaffirms, disclaims, repudiates or rejects, in whole, or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (II) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date;

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, if the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium (**provided that**, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Termination Date unless the Repudiation/Moratorium Extension Condition is satisfied);

"Repudiation/Moratorium Extension Condition" is satisfied:

- (a) by the delivery by the Calculation Agent to the Noteholders of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Termination Date; or
- (b) at the Issuer's option, if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Termination Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time));

"Repudiation/Moratorium Extension Notice" means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to

the Noteholders that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Termination Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement) Tokyo time)). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is delivered. A Repudiation/Moratorium Extension Notice shall be subject to the requirements regarding notices contained in Condition 5.2L(e) (*Effectiveness of Notices*);

"**Resolve**" has the meaning given to that term in the DC Rules, and "**Resolved**" and "**Resolves**" shall be interpreted accordingly;

"**Restructured Bond or Loan**" means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred;

"**Restructuring**" means that, with respect to one or more Obligations (which, unless Multiple Holder Obligation is either expressed to be 'not applicable' in the relevant Final Terms or is otherwise deemed to be not be applicable, must be a Multiple Holder Obligation), and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs, is agreed between the Reference Entity or a Governmental Authority and the holder or holders of such Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that is binding upon a Reference Entity (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date (if specified as applicable in the Final Terms, or, otherwise, the Trade Date) and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium,

provided that:

- (i) none of the following shall constitute a Restructuring:
 - (A) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (B) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable as determined by reference to such freely available market rate of conversion;

- (C) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) (inclusive), above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (D) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) (inclusive) above, in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of (e) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority; and
- (ii) if an exchange has occurred, the determination as to whether one of the events described under (a) to (e) (inclusive) above has occurred will be based on a comparison of the terms of the Bond immediately before such exchange and the terms of the resulting obligations immediately following such exchange;

"Restructuring Date" means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

"Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation or Valuation Obligation, the Limitation Date occurring on or immediately following the Scheduled Termination Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Scheduled Termination Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

"Revised Currency Rate" means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either:

- (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time; or
- (b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner after consultation with the parties;

"Scheduled Termination Date" means the date specified as such in the Final Terms;

"Seniority Level" means, with respect to an obligation of the Reference Entity, (a) "Senior Level" or "Subordinated Level" as specified in the relevant Final Terms, or (b) if no such seniority level is specified in the relevant Final Terms, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) "Senior Level";

"Senior Obligation" means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity;

"Senior Security" means Note for which (a) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation;

"Settlement Date" means the Auction Settlement Date, the Cash Settlement Date or the Physical Settlement Date, as applicable;

"Settlement Method" means either (i) Auction Settlement, (ii) Cash Settlement or (iii) Physical Settlement, as specified in the Final Terms, or if "Settlement Method at Issuer Option" applies, the settlement method in the relevant notice from the Calculation Agent;

"Solvency Capital Provisions" means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier;

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof;

"Sovereign Restructured Deliverable Obligation" means an Obligation of a Sovereign Reference Entity:

- (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred; and
- (b) which fell within the definition of a Deliverable Obligation immediately preceding the date on which Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

"Sovereign Succession Event" means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event;

"Specified Currency" means an obligation that is payable in the currency or currencies specified as such in the relevant Final Terms (or, if "Specified Currency" is specified in the relevant Final Terms and no currency is so specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;

"SRO List" means the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time;

"Standard Reference Obligation" means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List. If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation;

"Standard Specified Currency" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole);

"Steps Plan" means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities;

"Subordinated Obligation" means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed;

"Subordinated Security" means a Credit Linked Security for which the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation;

"Subordination" means, with respect to an obligation (the **"Second Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"First Obligation"**) a contractual, trust or similar arrangement providing that (A) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (B) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. "Subordinated" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is specified as applicable in the related Final Terms, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date;

"Substitute Reference Obligation" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation, provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (i) or (iii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic and paragraph (c)(ii) below). If the event set forth in paragraph (ii) of the definition of Substitution Event has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (i) or (iii) of the definition of Substitution Event occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
 - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (iii)

- (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (1) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available,
 - (2) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation",
- (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
 - (1) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (2) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available,
 - (3) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (4) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation", or
- (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
 - (1) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (2) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (3) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available,
 - (4) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of "Deliverable Obligation".
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer in respect of the relevant Notes, as determined by the Calculation Agent. The Calculation Agent will notify the Issuer of the Substitute Reference Obligation within a reasonable period after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.

- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with Credit Linked Condition paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

"Substitution Date" means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent determines that such Substitute Reference Obligation has been identified in accordance with the definition of Substitute Reference Obligation;

"Substitution Event" means, with respect to the Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole;
- (b) the aggregate amounts due under the original Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (c) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in paragraph (i) or (ii) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraph (i) or (ii) above, as the case may be, on the Trade Date;

"Succession Date" means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that, if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination of the Calculation Agent in accordance with the definition of "Successor" would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor;

"Substitute Reference Obligation Resolution Request Date" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve a Substitute Reference Obligation to the Non-Standard Reference Obligation, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective;

"Substitution Event Date" means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event;

"Successor" means, subject to the restrictions set out in paragraphs (a) to (c) below, the entity or entities, if any, determined as follows:

- (a) subject to paragraph (vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor in respect of the relevant Reference Entity;
- (b) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. (but less than seventy-five per cent.) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the

entity that succeeds to more than twenty-five per cent. of the Relevant Obligations will be the sole Successor in respect of the relevant Reference Entity;

- (c) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent. of the Relevant Obligations will each be a Successor (subject to Credit Linked Condition 8.2.1);
- (d) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor (subject to Credit Linked Condition 8.2.1);
- (e) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
- (f) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor (subject to Credit Linked Condition 8.2.1);
- (g) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "Universal Successor") will be the sole Successor in respect of the relevant Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors; provided that the Calculation Agent will not make such determination if, at the time of such determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations. The Calculation Agent will make all calculations and determinations required to be made under this definition on the basis of Eligible Information and will notify the Issuer of any such calculation or determination as soon as practicable. In calculating the percentages used to determine whether an entity qualifies as a Successor, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

An entity may only be a Successor if:

- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014;
- (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and

- (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

For purposes of this definition, "succeed" means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (I) assumes or becomes liable for such Relevant Obligations, whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (II) issues Bonds or incurs Loans (the "Exchange Bonds or Loans") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition, "succeeded" and "succession" shall be construed accordingly.

In the case of an exchange offer, the determination required pursuant to this definition shall be made on the basis of the Outstanding Principal Balance of Relevant Obligations exchanged and not on the basis of the Outstanding Principal Balance of the Exchange Bonds or Loans.

If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "Joint Relevant Obligation") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

"Successor Backstop Date" means, for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date, otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered by the Calculation Agent not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention;

"Successor Notice" means an irrevocable notice from the Calculation Agent that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined, and which contains a description in reasonable detail of the facts relevant to the determination to be made pursuant to the definition of Successor and any consequential amendments to the Reference Portfolio and/or the Notes as a result thereof.

"Successor Resolution Request Date" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective;

"Termination Date" means either:

- (i) the Scheduled Termination Date; or

- (ii) where the Calculation Agent determines a Potential Credit Event has occurred, the Termination Date shall be:
 - (A) the date falling two Business Days after the expiry of the Notice Delivery Period; or
 - (B) at the Issuer's option, if a Credit Event Resolution Request Date has occurred on or prior to the expiry of the Notice Delivery Period in relation to a Reference Entity, the date falling 15 Business Days following any date on which the Credit Derivatives Determinations Committee Resolves that the relevant event does not constitute a Credit Event, or Resolves not to make such determination;

"Trade Date" means the date specified in the Final Terms;

"Transaction Auction Settlement Terms" means the Credit Derivatives Auction Settlement Terms for which a relevant credit derivative transaction (including any Hedge Transaction) would be an Auction Covered Transaction;

"Transaction Type" means the transaction type specified in the Final Terms in respect of each Reference Entity;

"Transferable" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
- (c) restrictions in respect of blocked periods on or around payment dates or voting periods;

"Underlying Obligation" means, with respect to a guarantee, the obligation which is the subject of the guarantee;

"Underlying Obligor" means, with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation;

"Valuation Date" means:

- (i) any date as selected by the Calculation Agent in its sole discretion that is no later than 122 Business Days after the Event Determination Date or Auction Cancellation Date or No Auction Announcement Date, as the case may be; or
- (ii) if Partial Cash Settlement applies, any date as selected by the Calculation Agent in its sole discretion that is no later than 15 Business Days after the Latest Permissible Physical Settlement Date or, as applicable, the Extended Physical Settlement Date;

"Valuation Obligation" means in respect of a Reference Entity, notwithstanding anything to the contrary in this Credit Linked Derivatives Annex, one or more obligations of such Reference Entity (either directly or as provider of a Qualifying Guarantee or, as the case may be, Qualifying Affiliate Guarantee), which would constitute a "Deliverable Obligation" if Physical Settlement were the applicable Settlement Method as selected by the Calculation Agent in its sole and absolute discretion on the applicable Valuation Date, **provided that**, for such purpose:

- (a) any reference to the words "Delivery Date" in the definitions of Conditionally Transferable Obligation, Deliverable Obligation, within any of the terms comprising

Deliverable Obligation Category or Deliverable Obligation Characteristic and Due and Payable Amount shall be deemed to be a reference to the words "relevant Valuation Date";

- (b) the deletion of the words "being Delivered" in the definition of "Deliverable Obligation"; and
- (c) the deletion of the whole of the second paragraph within the definition of "Not Contingent" and replacing it with the following:

"If an Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Obligation may only be selected as a Valuation Obligation if the rights referred to in (A) and (B) above have not been exercised (or such exercise has been effectively rescinded) on or before the relevant Valuation Date."

For the avoidance of doubt, the use of Deliverable Obligation terms in the definition of "**Valuation Obligation**" is for convenience only and is not intended to amend the selected settlement method.

If the Calculation Agent selects more than one Valuation Obligation with respect to a Reference Entity, then the Calculation Agent shall in its sole and absolute discretion apportion to each such Valuation Obligation an outstanding principal balance (or the equivalent in the Specified Currency thereof converted at the foreign exchange rate prevailing on any date from (and including) the Event Determination Date to and (including) the Valuation Date, as selected by the Calculation Agent in its discretion), which in aggregate shall not exceed the relevant Reference Entity Notional Amount;

"**Valuation Time**" means the time specified as such in the Final Terms or if no such time is specified, 11:00 a.m. in London;

"**Voting Shares**" means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity;

"**Weighted Average Final Price**" means the weighted average of the Final Prices determined for each selected Valuation Obligation of the relevant Reference Entity, weighted by the outstanding principal balance of each such Valuation Obligation;

"**Weighted Average Quotation**" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of any Valuation Obligation or Deliverable Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation) that in the aggregate are approximately equal to the Quotation Amount; and

Terms defined in the "Terms and Conditions of the Notes" and/or the Final Terms have the same meaning in this Credit Linked Derivatives Annex. In the event of any inconsistency between the Conditions and the Additional Conditions, the Additional Conditions will prevail. In the event of any inconsistency between the Final Terms and the Conditions and the Additional Conditions, the Final Terms will prevail.

APPENDIX 1

FORM OF CREDIT EVENT NOTICE [AND NOTICE OF PUBLICLY AVAILABLE INFORMATION]

ICBC STANDARD BANK PLC

From: **ICBC Standard Bank Plc**
20 Gresham Street,
London EC2V 7JE

To: The holders of the Notes (the "**Noteholders**")

To be delivered via [Euroclear/Clearstream/specify other clearing system] (the "**Clearing System**")

[Date]

CREDIT EVENT NOTICE [AND NOTICE OF PUBLICLY AVAILABLE INFORMATION]

ICBC STANDARD BANK PLC (the "**Issuer**") **Note Issuance Programme**

[Brief Description and Amount of Notes]

Series No.: [•] Tranche No.: [•] ISIN: [•] (the "**Notes**")

We refer to the Final Terms dated [insert date] in respect of the Notes (the "**Final Terms**") relating to the Notes. Terms that are not defined herein, shall have the meanings attributed to them in the Final Terms.

This letter is our Credit Event Notice to you that a [insert type] Credit Event occurred with respect to [insert name] on or about [insert date] (as determined by the Calculation Agent), when [describe Credit Event].

[This letter also comprises our Notice of Publicly Available Information with respect to this Credit Event. Accordingly, we provide the Publicly Available Information attached hereto.]¹

[This letter also comprises our notice for [Settlement Method at Issuer Option] [and] [Fallback Settlement Method at Issuer Option]. Accordingly, we hereby elect that [the Settlement Method will be [Auction Settlement/Cash Settlement/Physical Settlement]] [and] [the Fallback Settlement Method will be [Cash Settlement/Physical Settlement]].]

Nothing in this letter shall be construed as a waiver of any rights we may have with respect to the Notes.

Yours faithfully

ICBC Standard Bank Plc

By:

APPENDIX 2

FORM OF NOTICE OF PHYSICAL SETTLEMENT

ICBC STANDARD BANK PLC

From: **ICBC Standard Bank Plc**

20 Gresham Street,
London EC2V 7JE

To: The holders of the Notes (the "**Noteholders**")

To be delivered via [Euroclear/Clearstream/specify other clearing system] (the "**Clearing System**")

[Date]

NOTICE OF PHYSICAL SETTLEMENT

ICBC STANDARD BANK PLC

(the "**Issuer**")

Note Issuance Programme

[Brief Description and Amount of Notes]

Series No.: [●] Tranche No.: [●] ISIN: [●] (the "**Notes**")

We refer to the Final Terms dated [insert date] in respect of the Notes (the "**Final Terms**") relating to the Notes [and to the Credit Event Notice [and Notice of Publicly Available Information] dated [insert date]], previously delivered to you. Terms that are not defined herein, shall have the meanings attributed to them in the Final Terms.

This letter constitutes a Notice of Physical Settlement.

We hereby confirm that we will settle the Notes and require performance by you in accordance with the terms of the Notes. Subject to the terms of the Notes, we will deliver to you on or before the Physical Settlement Date, [[currency amount] [outstanding principal balance] [Due and Payable Amount]] of the following Deliverable Obligations(s):

[describe the Deliverable Obligation(s) to be Delivered, including the outstanding principal balance or Due and Payable Amount for each such Deliverable Obligation and, if available and applicable, the CUSIP or ISIN number (or, if such identifying number is not available, the rate and tenor of the Deliverable Obligation)]

[Further, we hereby identify the following Enabling Obligation(s):]

[describe each such Enabling Obligation, including the CUSIP or ISIN number, if available and applicable (or, if such identifying number is not available, the rate and tenor), of such Enabling Obligation, or any other information necessary to establish that such obligation is an Enabling Obligation]

[This letter also comprises our notice for Settlement Method at Issuer Option. Accordingly, we hereby elect that the Settlement Method will be Physical Settlement.]

Yours faithfully

ICBC Standard Bank Plc

By:

APPENDIX 3

FORM OF NOPS AMENDMENT NOTICE

ICBC STANDARD BANK PLC

From: **ICBC Standard Bank Plc**
20 Gresham Street,
London EC2V 7JE

To: The holders of the Notes (the "**Noteholders**")

To be delivered via [Euroclear/Clearstream/specify other clearing system] (the "**Clearing System**")

[Date]

NOPS AMENDMENT NOTICE

ICBC STANDARD BANK PLC

(the "**Issuer**")

Note Issuance Programme

[Brief Description and Amount of Notes]

Series No.: [●] Tranche No.: [●] ISIN: [●] (the "**Notes**")

We refer to the Final Terms dated [insert date] in respect of the Notes (the "**Final Terms**") relating to the Notes [and to the Credit Event Notice [and Notice of Publicly Available Information] dated [insert date]] and the Notice of Physical Settlement dated [insert date] [and the NOPS Amendment Notice(s) dated [insert date] and [[insert date]], previously delivered to you. Terms that are not defined herein, shall have the meanings attributed to them in the Final Terms.

This letter constitutes a NOPS Amendment Notice.

We hereby confirm that we are replacing, [in whole or in part], [[currency amount] [outstanding principal balance] [Due and Payable Amount]] of the following Deliverable Obligation(s) specified in the [Notice of Physical Settlement/NOPS Amendment Notice] dated [insert date]:

[describe the Deliverable Obligation(s) to be replaced, including the outstanding principal balance or Due and Payable Amount for each such Deliverable Obligation and, if available and applicable, the CUSIP or ISIN number (or, if such identifying number is not available, the rate and tenor of the Deliverable Obligation)]

with [[currency amount] [outstanding principal balance] [Due and Payable Amount]] of the following Deliverable Obligation(s):

[describe the replacement Deliverable Obligation(s), including the outstanding principal balance or Due and Payable Amount for each such Deliverable Obligation and, if available and applicable, the CUSIP or ISIN number (or, if such identifying number is not available, the rate and tenor of the Deliverable Obligation)]

Yours faithfully

ICBC Standard Bank Plc

By:

APPENDIX 4

FORM OF ASSET TRANSFER NOTICE

To: **ICBC Standard Bank Plc**
20 Gresham Street,
London EC2V 7JE

To: [Euroclear/Clearstream/specify other clearing system] (the "**Clearing System**")
[insert address of clearing system]

From: [insert name and address of Noteholder]

[Date]

ASSET TRANSFER NOTICE

ICBC STANDARD BANK PLC
(the "**Issuer**")
Note Issuance Programme

[Brief Description and Amount of Notes]

Series No.: [●] Tranche No.: [●] ISIN: [●] (the "**Notes**")

We refer to the Final Terms dated [insert date] in respect of the Notes (the "**Final Terms**") relating to the Notes [and to the Credit Event Notice dated [insert date]] and the Notice of Physical Settlement dated [insert date] [and the NOPS Amendment Notice(s) dated [insert date] and [[insert date]], previously delivered to us. Terms that are not defined herein, shall have the meanings attributed to them in the Final Terms.

This letter constitutes an Asset Transfer Notice and relates to [insert number and aggregate nominal amount] of Notes.

We hereby confirm that we are the legal owner of the above Notes, [held via [insert Clearing System name] at account [insert Clearing System account details].

- (1) Delivery of the Relevant Proportion of the Deliverable Obligation(s) should be made to:
[insert name, address and account details of the person to whom Delivery should be made]
- (2) Notices in relation to the Deliverable Obligations should be sent to:
 - (i) Attention: [insert contact person name]
 - (ii) Address: [insert address]
 - (iii) E-mail: [insert e-mail address]
 - (iv) Fax: [insert fax number]
 - (v) Telephone: [insert telephone number]
- (3) Payments in relation to the Deliverable Obligations should be made to:
[insert account details including Bank, Branch Address, Branch Code, Account Number and Account Name]

If the Notes are Registered Notes, we hereby irrevocably instruct and authorise the Registrar to effect the transfer of the Notes.

We hereby irrevocably instruct and authorise the Clearing System to debit the relevant account with such Notes on the due date for redemption of the Notes.

We hereby authorise the Clearing System, the Issuer and the Calculation Agent to produce this notice in any administrative or legal proceedings.

We hereby authorise the Issuer to deduct from the Relevant Proportion of the Deliverable Amount of the Deliverable Obligations to be delivered in accordance with such notice, the Delivery Expenses.

We hereby represent that, as of the date hereof and as of the date on which the Deliverable Obligation(s) are to be delivered, neither compliance with any authority or request contained in this Asset Transfer Notice by any person to whom such authority or request is given; nor completion and delivery of this Asset Transfer Notice to the Issuer or Calculation Agent by us is, or will result in, a breach of any exchange control, fiscal or other laws or regulations for the time being applicable.

Yours faithfully

[insert name of Noteholder]

By:

.....
Name:
Title:

Certifying signature (2):

[To be completed by the Issuer]

Received by:

[Signature and stamp of the Issuer]

At its office at: [•]

On: [•]

Notes:

1. Any Notes or Certificates so returned or Certificates issued will be sent by post, uninsured and at the risk of the Noteholder, unless the Noteholder otherwise requests and pays the costs of such insurance in advance to the Issuer. This section need only be completed in respect of Registered Notes if the Certificate is not to be forwarded to the Registered Address.
2. The signature of any person relating to Registered Notes shall conform to a list of duly authorised specimen signatures supplied by the holder of such Notes or (if such signature corresponds with the name as it appears on the face of the certificate) be certified by a notary public or a recognised bank or be supported by such other evidence as the Issuer may reasonably require. A representative of the holder should state the capacity in which he signs.
3. This Asset Transfer Notice is not valid unless all of the paragraphs requiring completion are duly completed.
4. The Issuer shall not in any circumstances be liable to the Noteholder or any other person for any loss or damage arising from any act, default or omission of the Issuer in relation to the Notes or any of them unless such loss or damage was caused by the fraud or negligence of the Issuer or its directors, officers or employees.

DESCRIPTION OF AUCTION SETTLEMENT TERMS

If an Event Determination Date occurs with respect to the Notes and Auction Settlement applies, the Auction Settlement Amount with respect to the Notes will be calculated based on an Auction Final Price or Parallel Auction Final Price for the Reference Entity (if any). This description contains a summary of certain provisions of the Form of Credit Derivatives Auction Settlement Terms set forth at Annex B to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions, published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") on 12 March 2009 (the "**Form of Auction Settlement Terms**") and is qualified by reference to the detailed provisions thereof and is subject to amendment from time to time in accordance with the Rules, including any amendment following the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement dated 14 July 2009, as published by ISDA. The following does not purport to be complete and prospective investors must refer to the Form of Auction Settlement Terms for detailed information regarding the auction methodology set forth therein (the "**Auction Methodology**"). The Auction and the Auction Methodology apply to credit default swaps on the Reference Entity and do not apply specifically to the Notes. A copy of the Form of Auction Settlement Terms may be inspected at the offices of the Issuer and is also currently available at www.isda.org.

Investors should be aware that this summary of the Form of Auction Settlement Terms is accurate only as of the date hereof and the Form of Auction Settlement Terms may be amended from time to time without consultation with investors. At any time after the date of this memorandum, the latest Form of Auction Settlement Terms will be available on the ISDA website at www.isda.org (or any successor website thereto). Further, notwithstanding the fact that the Form of Auction Settlement Terms (as may be amended from time to time) appears on the ISDA website, investors should note that the Credit Derivatives Determinations Committees have the power to amend the form of Credit Derivatives Auction Settlement Terms for a particular auction and that this summary may therefore not be accurate in all cases.

Capitalized terms used but not defined in this summary have the meaning specified in the Rules and the Form of Auction Settlement Terms. All times of day in this summary refer to such times in London.

Publication of Credit Derivatives Auction Settlement Terms

Pursuant to the Credit Derivatives Determinations Committees Rules set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on March 12, 2009) (the "**Rules**"), a Credit Derivatives Determinations Committee may determine that a Credit Event has occurred in respect of a Reference Entity (such entity, an "**Affected Reference Entity**") and that one or more auctions will be held in order to settle affected Auction Covered Transactions referencing such Affected Reference Entity based upon an Auction Final Price determined according to an auction procedure set forth in the Form of Auction Settlement Terms (each, an "**Auction**"). If an Auction is to be held, the Credit Derivatives Determinations Committee will publish Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, based upon the Form of Auction Settlement Terms. In doing so, the Credit Derivatives Determinations Committee will make several related determinations, including the date on which the Auction will be held (the "**Auction Date**"), the institutions that will act as participating bidders in the Auction (the "**Participating Bidders**") and the supplemental terms that are detailed in Schedule 1 to the Form of Auction Settlement Terms. The Credit Derivatives Determinations Committee may also amend the Form of Auction Settlement Terms for a particular auction and may determine that a public comment period is necessary in order to effect such an amendment if such amendment is not contemplated by the Rules.

"**Auction Covered Transactions**" are credit derivative transactions referencing the Affected Reference Entity which satisfy the criteria set forth in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, including in respect of the provisions in such credit derivative transactions that set forth the criteria for establishing what obligations may constitute Deliverable Obligations (or, in the case of a cash settled credit derivative transaction, the provisions therein that set forth the criteria for establishing what obligations may be valued to determine a final price).

Auction Methodology

Determining the Auction Currency Rate

On a specified fixing date, the "**Administrators**" (being both Markit Group Limited and Creditex Securities Corp. or such other entities appointed by ISDA) will determine the rate of conversion (each, an "**Auction Currency Rate**") as between the relevant currency and the currency of denomination of each Deliverable Obligation (each, a "**Relevant Pairing**") by reference to a rate source or, if such rate source is unavailable, by seeking mid-market rates of conversion from Participating Bidders (determined by each such Participating Bidder in a commercially reasonable manner) for each such Relevant Pairing.

Initial Bidding Period

During the Initial Bidding Period (which is the period initially determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity, as such period may be extended by the Administrators, *inter alia*, to preserve the integrity of an Auction), Participating Bidders will submit to the Administrators: (a) Initial Market Bids; (b) Initial Market Offers; (c) Dealer Physical Settlement Requests; and (d) Customer Physical Settlement Requests (to the extent received from customers).

Initial Market Bids and Initial Market Offers are firm quotations, expressed as percentages, to enter into credit derivative transactions in respect of the Affected Reference Entity on terms equivalent to the Representative Auction-Settled Transaction. A "**Representative Auction-Settled Transaction**" is a hypothetical single-name, physically settled credit default swap transaction referencing the Affected Reference Entity with the standard terms specified in the Form of Auction Settlement Terms.

The Initial Market Bid and Initial Market Offer submitted by each Participating Bidder must differ by no more than the designated Maximum Initial Market Bid-Offer Spread and must be an integral multiple of the Relevant Pricing Increment (each as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity). The Initial Market Bid must be less than the Initial Market Offer.

Dealer Physical Settlement Requests and Customer Physical Settlement Requests are firm commitments, submitted by a Participating Bidder, on its own behalf or on behalf of a customer, as applicable, to enter into a Representative Auction-Settled Transaction, in each case, as seller (in which case, such commitment will be a "**Physical Settlement Buy Request**") or as buyer (in which case, such commitment will be a "**Physical Settlement Sell Request**"). Each Dealer Physical Settlement Request must be, to the best of such Participating Bidder's knowledge and belief, in the same direction as, and not in excess of, its Market Position. Each Customer Physical Settlement Request must be, to the best of the relevant customer's knowledge and belief (aggregated with all Customer Physical Settlement Requests submitted by such customer), in the same direction as, and not in excess of, its Market Position.

If the Administrators do not receive valid Initial Market Bids and Initial Market Offers from at least a minimum number of Participating Bidders (as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity), the timeline will be adjusted and the Initial Bidding Period extended, with the Auction recommencing at such time(s) specified by the Administrators, otherwise it will proceed as follows.

The "**Market Position**" with respect to a Participating Bidder or customer, as applicable, is the aggregate amount of Deliverable Obligations that the relevant Participating Bidder or customer, as applicable, would have to buy or sell in order to obtain an identical risk profile after the Auction Settlement Date compared to its risk profile prior to the Auction Settlement Date with respect to all Auction Covered Transactions (excluding those Auction Covered Transactions for which the trade date is the date on which the Auction Final Price is determined (the "**Auction Final Price Determination Date**")) and all Auction-Linked Cash Settled Transactions to which such Participating Bidder, or any affiliate of such Participating Bidder, as applicable, or such customer, or any affiliate of such customer, as applicable, is a party and to which every other party is an Auction Party, such risk profile to be determined without regard to whether the original transactions were documented as cash settled or physically settled transactions.

Determination of Open Interest, Initial Market Midpoint and Adjustment Amounts

The Administrators will calculate the Open Interest, the Initial Market Midpoint and any Adjustment Amounts in respect of the Auction.

The Open Interest is the difference between all Physical Settlement Sell Requests and all Physical Settlement Buy Requests.

To determine the Initial Market Midpoint, the Administrators will: (a) sort the Initial Market Bids in descending order and the Initial Market Offers in ascending order, identifying non-tradeable markets for which bids are lower than offers; (b) sort non-tradeable markets in terms of tightness of spread between Initial Market Bid and Initial Market Offer; and (c) identify that half of the non-tradeable markets with the tightest spreads. The Initial Market Midpoint is determined as the arithmetic mean of the Initial Market Bids and Initial Market Offers contained in the half of non-tradeable markets with the tightest spreads.

Any Participating Bidder whose Initial Market Bid or Initial Market Offer forms part of a tradeable market will be required to make a payment to ISDA on the third Business Day after the Auction Final Price Determination Date (an "**Adjustment Amount**"), calculated in accordance with the Auction Methodology. Any payments of Adjustment Amounts will be used by ISDA to defray any costs related to any auction that ISDA has coordinated, or that ISDA may in the future coordinate, for purposes of settlement of credit derivative transactions.

If for any reason no single Initial Market Midpoint can be determined, the procedure set out above may be repeated.

At or prior to the Initial Bidding Information Publication Time (as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity) on any day on which the Initial Bidding Period has successfully concluded, the Administrators publish the Open Interest, the Initial Market Midpoint and the details of any Adjustment Amounts in respect of the Auction.

If the Open Interest is zero, the Auction Final Price will be the Initial Market Midpoint.

Submission of Limit Order Submissions

In the event that the Open Interest does not equal zero, a subsequent bidding period will be commenced during the Initial Bidding Period which: (a) if the Open Interest is an offer to sell Deliverable Obligations, Participating Bidders submit Limit Bids; or (b) if the Open Interest is a bid to purchase Deliverable Obligations, Limit Offers, in each case, on behalf of customers and for their own account.

Matching bids and offers

If the Open Interest is a bid to purchase Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Offers and Limit Offers, as further described in the Auction Methodology. If the Open Interest is an offer to sell Deliverable Obligations, the Administrators will match the Open Interest against all Initial Market Bids and Limit Bids, as further described in the Auction Methodology.

(a) Auction Final Price when the Open Interest is Filled

The Auction Final Price will be the price associated with the matched Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, that is the highest offer or the lowest bid, as applicable, **provided that**: (a) if the Open Interest is an offer to sell and the price associated with the lowest matched bid exceeds the Initial Market Midpoint by more than the "**Cap Amount**" (being the percentage that is equal to one half of the Maximum Initial Market Bid-Offer Spread (rounded to the nearest Relevant Pricing Increment)), then the Auction Final Price will be the Initial Market Midpoint plus the Cap Amount; and (b) if the Open Interest is a bid to purchase and the Initial Market Midpoint exceeds the price associated with the highest offer by more than the Cap Amount, then the Auction Final Price will be the Initial Market Midpoint minus the Cap Amount.

(b) **Auction Final Price when the Open Interest is Not Filled**

If, once all the Initial Market Bids and Limit Bids or Initial Market Offers and Limit Offers, as applicable, have been matched to the Open Interest, part of the Open Interest remains, the Auction Final Price will be: (a) if the Open Interest is a bid to purchase Deliverable Obligations, the greater of (i) zero, and (ii) the highest Limit Offer or Initial Market Offer received; or (b) if the Open Interest is an offer to sell Deliverable Obligations, zero.

100 per cent. Cap to Auction Final Price

In all cases, if the Auction Final Price determined pursuant to the Auction Methodology is greater than 100 per cent., then the Auction Final Price will be deemed to be 100 per cent.

Publication of Auction Final Price

At or prior to the Subsequent Bidding Information Publication Time (as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity) on any day on which the subsequent bidding period has successfully concluded, the Administrators will publish on their websites: (a) the Auction Final Price; (b) the names of the Participating Bidders who submitted bids, offers, valid Dealer Physical Settlement Requests and valid Customer Physical Settlement Requests, together with the details of all such bids and offers submitted by each; and (c) the details and size of all matched trades.

Execution of Trades Formed in the Auction

Each Participating Bidder whose Limit Bid or Initial Market Bid (or Limit Offer or Initial Market Offer if applicable) is matched against the Open Interest, and each Participating Bidder that submitted a Customer Physical Settlement Request or Dealer Physical Settlement Request, is deemed to have entered into a Representative Auction-Settled Transaction, and each customer that submitted such a Limit Bid, Limit Offer, or Physical Settlement Request is deemed to have entered into a Representative Auction-Settled Transaction with the dealer through whom the customer submitted such bid or offer. Accordingly, each such Participating Bidder or customer that is a seller of Deliverable Obligations as a result of a trade formed in the auction must deliver to the buyer to whom such Participating Bidder or customer has been matched a Notice of Physical Settlement indicating the Deliverable Obligations that it will deliver, and such Deliverable Obligations will be sold to the buyer in exchange for payment of the Auction Final Price.

Timing of Auction Settlement Provisions

If an Auction is held in respect of an Affected Reference Entity, it is expected that the relevant Auction Date will occur on the third Business Day immediately prior to the 30th calendar day after which the relevant Credit Derivatives Determinations Committee received the request from an eligible market participant (endorsed by a member of the relevant Credit Derivatives Determinations Committee) to resolve whether a Credit Event has occurred with respect to such Reference Entity.

In respect of an Affected Reference Entity for which an Auction is held, the Auction Settlement Date will occur on a Business Day following the Auction Final Price Determination Date, as determined by the Credit Derivatives Determinations Committee and specified in the Credit Derivatives Auction Settlement Terms in respect of the relevant Affected Reference Entity. By way of example, in recent ISDA CDS Auction Protocols (prior to the publication of the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement dated 14 July 2009, as published by ISDA) this has been approximately five Business Days following the relevant Auction Final Price Determination Date.

Delayed Auction Provisions

The Auction timing may be adjusted under the relevant following circumstances: (a) the occurrence of an event or news the occurrence of which two or more Participating Bidders consider has or could have a material effect on the Auction Final Price; (b) if the Administrators are unable to determine an Auction Currency Rate on the Auction Currency Fixing Date with respect to each Relevant Pairing; (c) if the Auction Methodology does not result in an Auction Final Price for any reason (including, but not limited

to, the failure to receive the minimum number of valid Initial Market Bids and Initial Market Offers); or (d) any combination of (a), (b) and (c) above.

Auction Cancellation

If an Auction Final Price has not been determined on or prior to: (a) the fifth Business Day following the Auction Date, in the events described in clause (a) or (d) of "Delayed Auction Provisions" above; or (b) the second Business Day following the Auction Date, in the events described in clause (b) or (c) of "Delayed Auction Provisions" above, then the Auction will be deemed to have been cancelled and the Administrators and ISDA will announce the occurrence of such cancellation on their respective websites.

For these purposes, "**Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in, if the Transaction Type of the relevant Affected Reference Entity is included in: (a) the Americas, New York; and (b) otherwise, London.

EMERGING MARKETS EQUITY LINKED DERIVATIVES ANNEX

Where specified as applicable in any Final Terms relating to the issue of Notes under the Programme, the provisions of this Emerging Markets Equity Linked Derivatives Annex shall apply to such Notes as if expressly set out in the relevant Final Terms.

1. Amendment to the Conditions

The following shall be inserted as Conditions 4.10A, 4.14, 4.15, 5.2A, 5.2B, 5.2C, 5.2D, 5.2E, 5.4A, 5.10A, 7A and 18 (together, the "**Additional Conditions**"):

4.10A Publication of Determinations pursuant to the Additional Conditions

- (a) The Calculation Agent shall cause any determination or calculation required to be made by the Calculation Agent pursuant to the Additional Conditions to be notified to the Issuer, 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 and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as reasonably practicable after their determination or calculation.
- (b) The Issuer shall cause any determination or calculation required to be made by the Issuer pursuant to Conditions 4.15(b), 5.2A(a), 5.2D(h) and the definitions of "**Dividend Amount**", "**Final Share Price**" and "**Maturity Date**" to be notified to the Noteholders, any Calculation Agent and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as reasonably practicable after their determination or calculation.

4.14 Payments

All payments are to be made in the Settlement Currency, except as otherwise provided herein.

4.15 Currency Conversion

(a) *Currency Conversion Determination*

Determinations of the equivalent in the Settlement Currency of any other price or amount hereunder shall be made by the Calculation Agent using the Exchange Rate on the date on which the Calculation Agent determines that the applicable conversion should be made.

"**Exchange Rate**" means, the currency exchange rate for the conversion of one unit of the Reference Currency into the Settlement Currency, as determined by the Calculation Agent using the rate which it determines that the Issuer would actually receive if it were converting such amounts into the Settlement Currency.

(b) *FX Disruption*

Where there is an FX Disruption which affects the conversion of the proceeds of a Hedge Position or any other amounts denominated in the Reference Currency, such conversion will be postponed until the first Currency Business Day on which such FX Disruption ceases to exist or, if that would not be commercially reasonable, as soon as reasonably practical thereafter (the "**Conversion Date**"); and the payment obligations of the Issuer under the Notes will be postponed until the date falling two Currency Business Days after the Conversion Date or, if the Calculation Agent determines that would not be commercially reasonable, as soon as the Calculation Agent determines to be commercially reasonable thereafter.

Where there is an FX Disruption which affects the transfer of proceeds, the payment obligations of the Issuer under the Notes will be postponed until the date falling two Currency Business Days after the date on which the Calculation Agent determines that such transfer could be made.

In the event that such FX Disruption does not cease within 30 days, the Issuer may, by notice to the Noteholders in accordance with Condition 15 (*Notices*), elect (in its sole discretion) to convert all payment obligations in respect of the Notes into an obligation to pay such amounts in

the Reference Currency (without taking into account any Exchange Rate movements during the period of deferral) (such election, a "Reference Currency Election" and the amounts due to a Noteholder as a result thereof, the "**Reference Currency Amounts**"). In order to obtain payment of the Reference Currency Amounts, the Noteholder must deliver to the Issuer a notice (the "**Reference Currency Notice**") specifying the name and address of the relevant Noteholder and details of the account to which the Reference Currency Amounts shall be paid. The Reference Currency Notice is irrevocable and may not be withdrawn following receipt thereof by the Issuer. Upon receipt of a valid and complete Reference Currency Notice, the Issuer shall make payment, as soon as reasonably practicable, of the Reference Currency Amounts to the account specified in the Reference Currency Notice. The Issuer shall have no obligation to make payment of the Reference Currency Amounts in respect of a Note unless and until the Noteholder has delivered a valid and complete Reference Currency Notice. If a Noteholder fails to deliver a valid and complete Reference Currency Notice on or before the date falling three months after the date of the Reference Currency Election, the Issuer shall have no further obligation to pay the Reference Currency Amounts or to satisfy the payment obligations which were converted into the obligation to pay such Reference Currency Amounts.

The Calculation Agent will determine the amount of any loss or costs incurred (or any gain or benefits derived) by the Issuer in connection with (i) postponing such payment obligations (including, but not limited to, any income or interest received and (internal or external) funding costs or other charges incurred) or (ii) terminating, liquidating, maintaining or re-establishing any transaction it deems necessary to hedge, in a commercially reasonable manner, the currency risk relating to the Notes as a result of such FX Disruption and will adjust (without duplication) the payment obligations in respect of the Notes to account for any such loss, costs, gain or benefits.

"FX Disruption" means the occurrence (as determined by the Calculation Agent) of any event after the Issue Date that makes the Issuer unable to:

- (i) transfer the proceeds of a Hedge Position or any other amounts denominated in the Settlement Currency or Reference Currency from accounts within the Local Jurisdiction to (a) accounts outside such Local Jurisdiction, (b) other accounts within such Local Jurisdiction or (c) the accounts of a non-resident of such Local Jurisdiction;
- (ii) convert the proceeds of a Hedge Position or any other amounts denominated in the Reference Currency into the Settlement Currency on or in respect of a Valuation Date;
- (iii) convert the proceeds of a Hedge Position or any other amounts denominated in the Reference Currency into the Settlement Currency, at a rate at least as favourable as the rate for domestic institutions located in the Local Jurisdiction; or
- (iv) obtain a rate or a commercially reasonable rate (as determined by the Calculation Agent), in each case, at which the proceeds of a Hedge Position or any other amounts denominated in the Reference Currency can be exchanged for the Settlement Currency.

If an event or circumstance that would otherwise (but for this provision) constitute a Hedging Disruption also constitutes an FX Disruption, it will be deemed to be an FX Disruption and will not constitute a Hedging Disruption.

5.2A **Delivery of Shares**

(a) *Election by Issuer*

If during the Relevant Period in relation to any Share Note, the Issuer determines in its sole discretion that a Hypothetical Broker Dealer would be unable to sell or unwind all of its Hedge Positions following 20 Exchange Business Days after the Determination Date, the Calculation Agent shall determine, in its sole discretion, the number of Shares per Note (the "**Affected Shares**") that represent the equivalent portion of the relevant Hedge Positions in respect of that Note that the Issuer determines, in its sole discretion, that a Hypothetical Broker Dealer would have been unable to sell or unwind in lieu of payment of the Final Redemption Amount or Early Redemption Amount, as the case may be, that would have been payable by reference to the sale or unwind of those Hedge Positions. Following such determination, the Issuer may, by notice to

the Noteholders in accordance with Condition 15 (*Notices*), elect (in its sole discretion but subject to any transfer restriction pursuant to any applicable law or regulation) to deliver the Affected Shares, such election, a "**Delivery Election**". The notice of a Delivery Election (the "**Delivery Election Notice**") shall specify (i) the jurisdiction(s), types of securities accounts and clearing system in, to and through which the Issuer is prepared to make delivery of the Affected Shares and (ii) the account details to which the Noteholder shall make payment of any Delivery Payments. The date on which the Delivery Election Notice is delivered shall be deemed to be the final day of the Relevant Period.

(b) *Calculation Agent Determinations*

Upon the occurrence of a Delivery Election in respect of a Note, the Calculation Agent shall:

- (i) adjust the Final Redemption Amount or Early Redemption Amount, as the case may be, in respect of the relevant Note so that it constitutes only the portion of the Final Redemption Amount or Early Redemption Amount, as the case may be, that is payable by reference to the sale or unwind of the Hedge Positions that the Issuer determines, in its sole discretion, that a Hypothetical Broker Dealer would have been able to sell or unwind;
- (ii) calculate the Delivery Expenses, if any;
- (iii) calculate the Final Deduction Amount, if any; and
- (iv) determine the amount (if any) of the Delivery Expenses and Final Deduction Amount which will not be recoverable by the Issuer through the Noteholder Deduction Amount, such unrecoverable amount the "**Delivery Payments**".

(c) *Delivery Conditions*

In order to obtain delivery of the Affected Shares the relevant Noteholder must (i) deliver to the Issuer the relevant Note(s) and a duly completed Delivery Notice and (ii) pay to the Issuer (in accordance with the account details set out in the Delivery Election Notice) the Delivery Payments (the obligations in (i) and (ii) being the "Delivery Conditions").

The Delivery Notice shall be substantially in such form as the Issuer may determine and copies may be obtained from its Specified Office.

The Delivery Notice must:

- (i) specify the name and address of the relevant Noteholder and the securities account to be credited with the relevant Affected Shares (which securities account must comply with the Issuer's requirements as set out in the Delivery Election Notice); and
- (ii) authorise the production of such notice in any applicable administrative or legal proceedings.

A Delivery Notice is irrevocable and may not be withdrawn after receipt thereof by the Issuer.

Failure properly to complete and deliver a Delivery Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the Calculation Agent and shall be conclusive and binding on the Issuer and the relevant Noteholder.

If the relevant Note and the related Delivery Notice are delivered or are deemed to be delivered to the Issuer on a day that is not a Banking Day in London, such Note and Delivery Notice shall be deemed to be delivered on the next following Banking Day in London.

The Issuer shall have no obligation to make delivery of the Affected Shares in respect of such Note unless and until the Delivery Conditions have been satisfied and delivery of such Affected Shares shall be made as soon as possible thereafter but not earlier than the Share Delivery Date. If a Noteholder fails to satisfy the Delivery Conditions on or before the date falling three months

after the date of service of the Delivery Election Notice, the Issuer shall have no further obligation to deliver the Affected Shares and such Noteholder shall cease to have any further claim to the Affected Shares or the portion of the Final Redemption Amount or Early Redemption Amount, as the case may be, represented by such Affected Shares.

(d) *Delivery of Affected Shares*

(i) Delivery of Affected Shares

Without prejudice to Condition 5.2A(d)(ii) (*Delivery of Shares; Delivery of Affected Shares*), the Issuer shall on the Share Delivery Date, deliver or procure the delivery of the Affected Shares in respect of each Note to such securities account as may be specified in the relevant Delivery Notice at the risk and expense of the relevant Noteholder. As used herein, "delivery" in relation to any Affected Shares means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Affected Shares in accordance with the relevant Delivery Notice and "deliver" shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Affected Shares once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars, incompatible or incorrect information being contained in the Delivery Notice or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Affected Shares or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Affected Shares, the Issuer shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in the register of members of the Share Issuer.

Noteholders should note that the actual date on which they become holders of the Shares comprising their Affected Shares will depend, among other factors, on the procedures of the relevant clearing systems and share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Affected Shares.

(ii) Settlement Disruption

If the Calculation Agent determines that delivery of any Affected Shares in respect of any Note by the Issuer in accordance with the Conditions is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Note shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder by mail addressed to it at the address specified in the relevant Delivery Notice or in accordance with Condition 15 (*Notices*). No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Affected Shares pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Affected Shares, the Share Delivery Date for the Shares comprising such Affected Shares but not affected by the Settlement Disruption Event will be the original Share Delivery Date.

The Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 15 (*Notices*) that a Settlement Disruption Event has occurred.

(iii) Neither the Issuer nor any other person shall be under any liability to any Noteholder or any subsequent beneficial owner of Affected Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result,

whether directly or indirectly, of that person being registered at any time as the legal owner of Affected Shares.

(e) *Prescription*

Claims for payment of principal or delivery of any Affected Shares in respect of the Notes shall become void upon the expiry of ten years from the Relevant Date in respect thereof or, in the case of delivery, from the Share Delivery Date.

(f) *Application to Share Basket Note*

This Condition 5.2A (*Delivery of Shares*) shall also apply to Share Basket Notes except that provisions contained in sub-paragraph (a) above shall be determined by reference to each Share comprised in such Basket and in a manner which the Calculation Agent deems appropriate in the context of such Notes.

5.2B Adjustments

(a) *Adjustments*

Where the Calculation Agent determines that a Share Issuer has declared a Potential Adjustment Event (as defined below) or that any adjustment has been made to the settlement terms of listed contracts on the relevant Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (i) make the corresponding adjustment, if any, to the calculation of the Final Redemption Amount and/or any other relevant terms as the Calculation Agent determines, in its absolute discretion, appropriate to account for that diluting or concentrative effect and (ii) determine the effective date(s) of the adjustment(s). In that case, such adjustments shall be deemed to be so made from such date(s). The Calculation Agent shall notify the Issuer and the Noteholders of any determination made under this Condition.

The Calculation Agent may (but need not) in its absolute discretion determine the appropriate adjustments by reference to the adjustment(s) in respect of such Potential Adjustment Event made by any Related Exchange to listed contracts on the relevant Shares traded on such Related Exchange.

For the purposes hereof:

"Potential Adjustment Event" means with respect to any Shares, any of the following:

- (A) a subdivision, consolidation or reclassification of such Shares (unless resulting in a Merger Event), or a free distribution or dividend of such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of such Shares of (1) such Shares or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the relevant Share Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an Extraordinary Dividend;
- (D) a call by the relevant Share Issuer in respect of such Shares that are not fully paid;
- (E) a repurchase by the relevant Share Issuer or any of its subsidiaries of such Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

- (F) 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 the relevant Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, **provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (G) any other event that may have a diluting or concentrating effect on the theoretical value of such Shares.

(b) *Consequences of a Merger Event*

The following provisions will apply if the Calculation Agent determines that a Merger Event has occurred:

(i) Redemption and Payment

If under "Consequences of a Merger Event" in relation to "Share-for-Share", "Share-for-Other" or "Share-for-Combined", the consequence specified in the Final Terms is "Redemption and Payment", then the Issuer shall redeem the Notes at their Early Redemption Amount in accordance with Condition 5.4A (*Early Redemption Procedure*).

(ii) Modified Calculation Agent Adjustment

If under "Consequences of a Merger Event" in relation to "Share-for-Share", "Share-for-Other" or "Share-for-Combined", the consequence specified in the Final Terms is "Modified Calculation Agent Adjustment" or if no consequence of a Merger Event is so specified then, on or after the relevant Merger Date, the Calculation Agent shall either (i)(A) make such adjustment to the exercise, settlement, payment or any other terms of the Notes (including, without limitation, the spread) as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) above will produce a commercially reasonable result, notify the Noteholders in accordance with Condition 15 (*Notices*) that the relevant consequence shall be the redemption of the Notes in which case "Redemption and Payment" will be deemed to apply.

(iii) Component Adjustment

If under "Consequences of a Merger Event" in relation to "Share-for-Share", "Share-for-Other" or "Share-for-Combined", the consequence specified in the Final Terms is "Component Adjustment", then in respect of a Share-for-Combined Merger Event, the consequence specified opposite "Share-for-Share" shall apply to that portion of the consideration that consists of New Shares (as determined by the Calculation Agent) and the consequence specified opposite "Share-for-Other" shall apply to that portion of the consideration that consists of Other Consideration (as determined by the Calculation Agent).

(c) *Consequences of a Tender Offer*

The following provisions will apply if Tender Offer is specified as applicable in respect of any Shares in the Final Terms and the Calculation Agent has determined that a Tender Offer has occurred:

(i) Redemption and Payment

If under "Consequences of a Tender Offer" in relation to "Share-for-Share", "Share-for-Other" or "Share-for-Combined", the consequence specified in the Final Terms is "Redemption and Payment", then the Issuer shall redeem the Notes at their Early Redemption Amount in accordance with Condition 5.4A (*Early Redemption Procedure*).

(ii) Modified Calculation Agent Adjustment

If under "Consequences of a Tender Offer" in relation to "Share-for-Share", "Share-for-Other" or "Share-for-Combined", the consequence specified in the Final Terms is "Modified Calculation Agent Adjustment" or if no consequence of a Tender Offer is so specified then, on or after the relevant Tender Offer Date, the Calculation Agent shall either (i)(A) make such adjustment to the exercise, settlement, payment or any other terms of the Notes (including, without limitation, the spread) as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) above will produce a commercially reasonable result, notify the Noteholders in accordance with Condition 15 (*Notices*) that the relevant consequence shall be the redemption of the Note, in which case "Redemption and Payment" will be deemed to apply.

(iii) Component Adjustment

If under "Consequences of a Tender Offer" in relation to "Share-for-Share", "Share-for-Other" or "Share-for-Combined", the consequence specified in the Final Terms is "Component Adjustment", then in respect of a Share-for-Combined Tender Offer, the consequence specified opposite "Share-for-Share" shall apply to that portion of the consideration that consists of New Shares (as determined by the Calculation Agent) and the consequence specified opposite "Share-for-Other" shall apply to that portion of the consideration that consists of Other Consideration (as determined by the Calculation Agent).

(d) *Delisting*

If at any time, the Calculation Agent determines that the relevant Exchange has announced that pursuant to the rules of such Exchange, the Shares have ceased (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 have not been 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) and such Shares are no longer listed on an Exchange acceptable to the Calculation Agent ("**Delisting**"), the Calculation Agent shall notify the Issuer of such determination and the Issuer shall redeem the Notes at their Early Redemption Amount in accordance with Condition 5.4A (*Early Redemption Procedure*).

5.2C Additional Disruption Events

The following Additional Disruption Events will apply if specified as applicable in the Final Terms:

(a) *Hedging Disruption*

"Hedging Disruption" means that the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk and any other price risk (including but not limited to, currency risk) of entering into and performing its obligations with respect to the Notes or in connection with its Hedge Position or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) (which shall include, but not limited to, the Issuer's inability to freely realise, recover, receive, repatriate, remit or transfer out of or into the Local Jurisdiction the proceeds of or any other amounts received in connection with its Hedge Positions).

(b) *Increased Cost of Hedging*

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

(c) *Consequences of an Additional Disruption Event*

If the Calculation Agent determines that an Additional Disruption Event shall have occurred, the Calculation Agent shall notify the Issuer of such determination and the Issuer may in its absolute discretion redeem the Notes at their Early Redemption Amount in accordance with Condition 5.4A (*Early Redemption Procedure*).

5.2D Change in Market Conditions Events

The following Change in Market Conditions Events will apply if specified as applicable in the Final Terms:

(a) *Custodial/Broker Event*

"Custodial/Broker Event" means that a Bankruptcy occurs with respect to the custodian, broker or counterparty (or any successors thereof) used by the Issuer (or its designee) to buy, establish, hold, maintain, sell or unwind any Hedge Positions or the custodian, broker or counterparty (or any successor thereof) used by the Issuer (or its designee) to buy, establish, hold, maintain, sell or unwind any Hedge Positions fails to perform in a full and timely manner all of its obligations to Issuer (or its designee) under any custodian, broker or other arrangements entered into by the Issuer (or its designee) at any time in relation to any Hedge Positions, securities and/or amount (which shall include, for the avoidance of doubt, a repudiation or termination of any such arrangements without the prior consent of the Issuer (or its designee)).

(b) *Change in Law Event*

"Change in Law Event" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal for the Issuer to hold, acquire or dispose of Hedge Positions relating the Notes, or (Y) the Issuer will incur an increased cost in performing its obligations under the Notes

(including, without limitation, due to any increase in tax, liability, decrease in tax benefit or other adverse effect on its tax position).

(c) *Change in Regulations Event*

"Change in Regulations Event" means any change in laws or regulations (including any changes in taxation) covering any non-resident operations in the Local Jurisdiction whatsoever which occurs after the Issue Date and affects in any way (or is likely to affect in any way) the cost to the Issuer of acquiring, holding or selling Hedge Positions or of hedging, directly or indirectly, the obligations of the Issuer in respect of the Notes, or of converting any amount of the Reference Currency into the Settlement Currency (or any other freely convertible and transferable currency) or transferring Settlement Currency out of the Local Jurisdiction which will adversely affect the economic value of the terms of the Notes to the Issuer.

(d) *Market Disruption Event*

"Market Disruption Event" means that on any day, the Calculation Agent or the Issuer is unable to determine any amount or rate falling to be determined by it pursuant to terms of the Notes due to market conditions including but not limited to (a) market volatility, (b) market liquidity, and (c) regulatory, political or artificial market limitations imposed after the Issue Date.

(e) *Expropriation Event*

"Expropriation Event" means any event or action under the authority of any governmental body which results in the seizure, compulsory acquisition, expropriation, nationalization or renationalisation, devaluation, revaluation, confiscation, freezing order, cancellation, destruction or similar action of all or any material part of the Shares, or the material business or assets of the Share Issuer, including, without limitation, by the management of the Share Issuer being wholly or partially displaced or curtailed in the conduct of its business or the Share Issuer being otherwise deprived of, or prevented from exercising ownership of, its material business or assets.

(f) *Share Issuer Insolvency*

"Share Issuer Insolvency" means the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, a holder of the Shares becoming legally prohibited from transferring the Shares or implementation of (or reasonable likelihood of the implementation of) a requirement that the Issuer transfer all or any of its Hedge Positions or otherwise to a trustee, liquidator or other similar official.

(g) *Sovereign Event*

"Sovereign Event" means that the state or any political subdivision or government or agency, instrumentality, ministry, department or other authority (including, without limitation, the central bank) of or in the Local Jurisdiction disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, or declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, in respect of one or more of its obligations; becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; makes a general assignment, arrangement or composition with or for the benefit of its creditors; institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights; has a secured party take possession of any of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against any of its assets; causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of these events; or takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

(h) *Consequences of Change in Market Conditions Event*

If the Issuer determines that a Change in Market Conditions Event shall have occurred, the Calculation Agent shall determine the effect thereof on the Notes and the terms on which the

Notes would remain outstanding and shall notify the Issuer and the Noteholders. Following such notification, the Issuer shall have the right to redeem the Notes (in whole or part). Where the Issuer determines that the Notes shall be redeemed in whole or in part, the Issuer shall redeem the relevant Notes in whole or in part at their Early Redemption Amount in accordance with Condition 5.4A (*Early Redemption Procedure*).

Upon a redemption of any Notes in whole or in part pursuant to the Conditions, the Issuer shall determine the extent of any loss suffered, or costs or expenses incurred, by the Issuer as a result of the occurrence of the Change in Market Conditions Event attributable to the Notes.

If an event or circumstance that would otherwise (but for this provision) constitute an Additional Disruption Event and/or an FX Disruption also constitutes a Change in Market Conditions Event, it will be deemed to be a Change in Market Conditions Event and will not constitute either an FX Disruption or an Additional Disruption Event.

5.2E **Events applicable to Share Basket Notes**

If, in respect of any Share Basket Note, the Calculation Agent determines that an Additional Disruption Event or the Issuer determines that a Change in Market Conditions Event has occurred in respect of a Share or a Hedge Position relating to a Share, the Issuer shall be entitled in its sole discretion to elect that Condition 5.2C (*Additional Disruption Events*) or as the case may be, Condition 5.2D (*Change in Market Condition Events*) shall apply solely to the Share or Hedge Position affected by such event. Accordingly, where the Issuer so elects if Condition 5.2C (*Additional Disruption Events*) would otherwise require redemption of the Notes, then (i) only the portion of each Note affected by the relevant Additional Disruption Event shall be redeemed, (ii) the remainder of each Note will continue with the Basket comprising the Shares (if any) that are not so affected and (iii) the Calculation Agent will adjust any relevant terms necessary to preserve as nearly as practicable the economic terms of the Notes for the non-affected Shares in the Basket.

5.4A **Early Redemption Procedure**

If the Notes are to be redeemed in whole or in part prior to the Maturity Date in accordance with the Conditions, the Issuer shall redeem the Notes at their Early Redemption Amount. Notice of such redemption shall be given to the Noteholders in accordance with Condition 15 (*Notices*) and such notice shall specify the Determination Date in respect of such redemption. The redemption shall take place on the Early Redemption Date.

5.10A **Stop-Loss Event**

If on any Exchange Business Day between the Issue Date and the Determination Date, the Closing Price has fallen by 90 per cent. or more compared with the Initial Share Price, then the Issuer may in its absolute discretion redeem the Notes at their Early Redemption Amount in accordance with Condition 5.4A (*Early Redemption Procedure*).

7A **Dividends**

If the Type of Return specified in the Final Terms is "**Price Return**", this Condition will not apply.

If the Type of Return specified in the Final Terms is "**Total Return**" then on each Dividend Payment Date, the Issuer will pay in respect of each Share Note the relevant Dividend Amount (if any) on that Dividend Payment Date and in respect of each Share Basket Note the relevant Dividend Amount (if any) multiplied by the Number of Baskets on that Dividend Payment Date. Notice of any Dividend Amount shall be given to Noteholders in accordance with Condition 15 (*Notices*).

To the extent that in respect of a Dividend Amount, the amount that the Calculation Agent determines that would have been received by a Hypothetical Broker Dealer holding such Shares in respect of any gross cash dividend amount ("**Declared Dividend**") is not equal to that Declared Dividend (a "**Dividend Mismatch Event**") following the relevant due date, then in either case the Calculation Agent may adjust the Dividend Amount accordingly.

If less than the total Accruing Deduction Amount is paid on any Dividend Payment Date, the Calculation Agent shall make such adjustments to the Accrual Period following such Dividend Payment Date as it considers appropriate in order to ensure that the Issuer receives all due but unpaid Accruing Deduction Amount on the next date on which an Accruing Deduction Amount becomes payable.

18 **No rights**

Neither the Issuer nor any other person shall (i) be under any obligation to deliver (or procure delivery) to the Noteholders or any other person, any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of Shares or (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to.

2. **Calculation Agent**

Wherever the Calculation Agent is required to act or to exercise judgement, it will do so in good faith and in a commercially reasonable manner.

3. **Definitions**

For the purposes of Condition 4.10A, 4.14, 4.15, 5.2A, 5.2B, 5.2C, 5.2D, 5.2E, 5.4A, 5.10A, 7A and 18, the following words shall have the following meaning:

"Accrual Period" means, for the purpose of determining the Accruing Deduction Amount, the period beginning on (and including) the Issue Date (in respect of the first such period) or the date immediately following the last day of the previous Accrual Period (in respect of the second and any subsequent such period) and ending on (but excluding) the date of determination subject to adjustment in accordance with Condition 7A (*Dividends*).

"Accruing Deduction Amount" means, on any date of determination, an amount calculated by the Calculation Agent in accordance with the following formula:

$$((1 + B/360)T * A) - A$$

where:

A is $\max((P_a * S), (P_i * S))$;

B is the number of basis points specified in the Final Terms for the purposes of this subparagraph divided by 10,000 to create a decimal figure;

P_a is the price (expressed as an amount per Share or per Basket, as the case may be) in the currency in which the Initial Share Price is denominated determined by the Calculation Agent as being equal to the arithmetical mean of the Closing Price on each Exchange Business Day during the Accrual Period;

P_i is the Initial Share Price;

S is the Number of Shares or the Number of Baskets, as the case may be; and

T is the number of days in the relevant Accrual Period.

"Affected Shares" is as defined in Condition 5.2A(a) (*Delivery of Shares; Election by Issuer*).

"Applicable Authority" means any applicable authority having power to tax in respect of any dividends payable in respect of any Shares (as determined by the Calculation Agent).

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

"Bankruptcy" means with respect to an entity, such entity: (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Basket" means a basket composed of Shares of more than one Share Issuer as specified in the Final Terms in the relative proportions or numbers of Shares of each Share Issuer specified in the Final Terms.

"Business Day" means, in respect of any city, a day on which commercial banks and foreign exchange markets settle payments in that city.

"Closing Price" means, on any Exchange Business Day:

- (a) in respect of a Share Note, the closing price on the Exchange of one Share on such Exchange Business Day; and
- (b) in respect of a Share Basket Note, the weighted average of the closing price on the Exchange of each Share in the Basket on such Exchange Business Day;

"Combined Consideration" means New Shares in combination with Other Consideration.

"Conversion Date" is as defined in Condition 4.15(b) (*Currency Conversion; FX Disruption*)

"Currency Business Day" means a day which is a Banking Day in the Additional Business Day Centre(s) if any (as specified in the Final Terms) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Calculation Agent to be the principal financial centre(s) for the Settlement Currency, and if the Settlement Currency is euro, which is also a TARGET Settlement Day.

"Declared Dividend" is as defined in Condition 7A (*Dividends*).

"Delisting" is as defined in Condition 5.2B (*Adjustments*).

"Delivery Conditions" is as defined in Condition 5.2A (*Delivery of Shares*).

"Delivery Day" means a day on which Shares comprised in the Affected Shares may be delivered to the Noteholders in the manner which the Issuer has determined to be appropriate.

"Delivery Election" is as defined in Condition 5.2A(a) (*Delivery of Shares; Election by Issuer*).

"Delivery Election Notice" is as defined in Condition 5.2A(a). (*Delivery of Shares; Election by Issuer*).

"Delivery Expenses" means an amount per Note equal to the expenses, including any taxes, duties and registration fees arising from the delivery and/or transfer of any Affected Shares.

"Delivery Notice" means a notice as referred to in Condition 5.2A (*Delivery of Shares*).

"Delivery Payments" is as defined in Condition 5.2A(c) (*Delivery of Shares; Delivery Conditions*).

"Determination Date" means:

- (a) if a Note is to be redeemed in whole or in part prior to the Maturity Date due to an Event of Default, the date on which the Noteholder declares the Note to be forthwith due and payable pursuant to Condition 10 (*Events of Default*);
- (b) if a Note is to be redeemed in whole or in part prior to the Maturity Date for any reason other than an Event of Default, the date specified by the Issuer in the notice of early redemption delivered by the Issuer pursuant to Condition 5.4A (*Early Redemption Procedure*); and
- (c) in all other cases, the date specified in the Final Terms.

"Dividend Amount" means, in respect of a Note, an amount determined by the Calculation Agent as the sum of the following:

- (a) the equivalent in the Settlement Currency of the Net Cash Dividend multiplied by the Number of Shares where the date that the Shares have commenced trading ex-dividend on the Exchange occurs up to but excluding the first day of the Relevant Period; plus
- (b) where the date that the Shares have commenced trading ex-dividend on the Exchange occurs during the Relevant Period, the equivalent in the Settlement Currency of the Net Cash Dividend multiplied by the Number of Shares which the Issuer, in its sole discretion, determines that a Hypothetical Broker Dealer would be still holding on such day were it to be in the process of unwinding its Hedge Positions during such Relevant Period; less
- (c) following the occurrence of a Change in Market Conditions Event, such amount per Note as the Issuer considers appropriate (without double counting) to account for any loss suffered, or costs or expenses incurred, by the Issuer as a result of the occurrence of the Change in Market Conditions Event attributable to that Note, so as to put the Issuer in the position it would have been but for the occurrence of the Change in Market Conditions Event; less
- (d) the Accruing Deduction Amount as at the Dividend Payment Date.

"Dividend Mismatch Event" is as defined in Condition 7A (*Dividends*).

"Dividend Payment Date" means the day falling two Currency Business Days after the date on which the Issuer determines that dividends would be received by a Hypothetical Broker Dealer holding such Shares plus the standard settlement period for the exchange and transfer of the Reference Currency in an account in the Local Jurisdiction into the Settlement Currency in an account outside the Local Jurisdiction.

"Dividend Period" means the period from and including the Issue Date to but excluding the last day of the Relevant Period.

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

"Early Redemption Date" shall be the date falling two Currency Business Days plus the Scheduled Unwind Period after the Determination Date **provided that** if the Relevant Period exceeds the Scheduled Unwind Period the Early Redemption Date shall be delayed by the number of Business Days by which the Relevant Period exceeds the Scheduled Unwind Period.

"Ex Amount" means, in relation to a Dividend Amount, 100 per cent. of the cash dividend per Share declared by the Share Issuer to holders of record of a Share where the date that the Shares have commenced trading ex-dividend on the Exchange occurs during the relevant Dividend Period. "Ex Amount" shall exclude Extraordinary Dividends.

"Exchange" means, in respect of a Share, the stock exchange so specified in the Final Terms or such other stock exchange on which such Share is, in the determination of the Calculation Agent, traded or quoted as the Calculation Agent may (in its absolute discretion) select and notify to Noteholders in accordance with Condition 15 (*Notices*) or (in any such case) any transferee or successor exchange.

"Exchange Business Day" means, in respect of a Share, 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.

"Exchange Disruption" means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options relating to the Share on any relevant Related Exchange.

"Exchange Rate" is as defined in Condition 4.15(a) (*Currency Conversion; Currency Conversion Determination*).

"Extraordinary Dividend" means a dividend or portion thereof characterised as an Extraordinary Dividend by the Calculation Agent in its sole and absolute discretion.

"Final Deduction Amount" means an amount (determined by the Calculation Agent) equal to the product of the number of basis points specified in the Final Terms for the purposes of this definition, the Final Share Price and the Number of Shares or the Number of Baskets, as the case may be.

"Final Redemption Amount" means, in respect of a Note, the equivalent in the Settlement Currency of an amount determined by the Calculation Agent equal to the sum of (i) the Nominal Amount plus (ii) the product of the Nominal Amount and the Rate of Return less (iii) the Noteholder Deduction Amount.

"Final Share Price" means the price (expressed as an amount per Share or per Basket, as the case may be) in the currency in which the Initial Share Price is denominated determined by the Issuer in its sole discretion as being equal to the weighted average price at which the Issuer, in its sole discretion, determines that a Hypothetical Broker Dealer would be able to realise in unwinding its Hedge Positions during the Relevant Period.

"FX Disruption" is as defined in Condition 4.15(b) (*Currency Conversion; FX Disruption*).

"Hedge Positions" means (i) in the context of a Hypothetical Broker Dealer, at any time, such hedge positions that the Issuer determines in its sole discretion that a Hypothetical Broker Dealer would have entered into in order to hedge the equity price, dividend and other price risk

(collectively referred to as "Hedging Risk"), including but not limited to, currency risk and dividend risk assumed by the Issuer when entering into and performing its obligations with respect to the Notes at that time, or (ii) in all other cases, any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by the Issuer in order to hedge, individually or on a portfolio basis, any Hedging Risk in connection with the Notes.

"Hypothetical Broker Dealer" means a hypothetical person resident in the same jurisdiction as, and subject to the same securities, tax and other laws and rules and regulations of any financial and securities regulators, exchanges and self-regulating organisations as apply to, the Issuer or any Affiliate(s) of the Issuer designated by it.

"Initial Share Price" is the price specified in the Final Terms.

"Local Jurisdiction" means the jurisdiction in which the Exchange(s) is located.

"Maturity Date" is as specified in the Final Terms, **provided that** if the Relevant Period exceeds the Scheduled Unwind Period, the Maturity Date shall be delayed by the number of Business Days by which the Relevant Period exceeds the Scheduled Unwind Period.

"Merger Date" means, in respect of a Merger Event of a Share Issuer, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of any Shares, any (a) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding, to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the relevant Share Issuer is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding) or (c) 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 Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a "Reverse Merger"), in each case if the Merger Date is on or before the relevant Valuation Date.

"Net Cash Dividend" means, in respect of a Share, the Ex Amount after the withholding or deduction of taxes that the Calculation Agent determines would be made by or on behalf of any Applicable Authority if that Share had been held by a Hypothetical Broker Dealer.

"New Shares" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or the making of the Tender Offer or a third party, that are, or that as of the Merger Date or Tender Offer Date are promptly scheduled to be, (i) publicly quoted, traded or listed 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 of state of the European Union) or on another exchange acceptable to the Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

"Nominal Amount" means, in respect of each Note, its Specified Denomination.

"Noteholder Deduction Amount" means the equivalent in the Settlement Currency of an amount determined by the Calculation Agent as being equal to the sum of the following amounts:

- (a) the Final Deduction Amount;

- (b) the Accruing Deduction Amount as at the Valuation Date;
- (c) the Delivery Expenses, if any;
- (d) an amount per Note equal to any increased tax, duty, expenses, fee or other costs which the Issuer determines in its sole discretion would be incurred by a Hypothetical Broker Dealer (as compared with circumstances existing on the Issue Date) to unwind or dispose of its Hedge Positions in respect of that Note;
- (e) an amount per Note equal to any taxes to which the Issuer is subject, directly or indirectly, in relation to any Hedge Position it may have acquired or otherwise in connection with that Note;
- (f) an amount per Note which represents the Issuer's reasonable and good faith estimate of any taxes which may be incurred by the Issuer in the future in respect of that Note or any Hedge Position in respect of that Note; and
- (g) if the Notes are being redeemed following the occurrence of a Change in Market Conditions Event, such amount per Note as the Issuer considers appropriate (without double counting) to account for any loss suffered, or costs or expenses incurred, by the Issuer as a result of the occurrence of the Change in Market Conditions Event attributable to that Note, so as to put the Issuer in the position it would have been but for the occurrence of the Change in Market Conditions Event.

"**Number of Baskets**" is the number specified in the Final Terms.

"**Number of Shares**" is the number specified in the Final Terms.

"**Other Consideration**" means cash and/or any securities (other than New Shares) on assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or the making of the Tender Offer or a third party).

"**Potential Adjustment Event**" is as defined in Condition 5.2B(a) (*Adjustments*).

"**Rate of Return**" means a rate determined by the Calculation Agent as of the relevant Valuation Date on a formula basis as follows:

$$\frac{(\text{Final Share Price} - \text{Initial Share Price})}{\text{Initial Share Price}}$$

"**Reference Currency**" means the currency in which the Hedge Positions of the Hypothetical Broker Dealer in respect of the Notes are denominated in or, as the case may be, which dividends are paid or, if the Calculation Agent determines that there is a change to the lawful currency of the Local Jurisdiction or in which, in respect of the Hedge Positions of the Hypothetical Broker Dealer, the Shares are traded on the Exchange or otherwise in the Local Jurisdiction, such other currency or currencies as the Calculation Agent may designate.

"**Reference Currency Amounts**" is as defined in Condition 4.15(b) (*Currency Conversion; FX Disruption*).

"**Reference Currency Election**" is as defined in Condition 4.15(b) (*Currency Conversion; FX Disruption*).

"**Reference Currency Election Notice**" is as defined in Condition 4.15(b) (*Currency Conversion; FX Disruption*).

"**Related Exchange(s)**" means, in respect of a Share, the Related Exchange(s), if any, as specified in the Final Terms, or such other options or futures exchange(s) as the Calculation Agent may, in its absolute discretion, select and notify to Noteholders in accordance with Condition 15 (*Notices*) or, in any such case, any transferee or successor exchange, **provided however, that** where "All Exchanges" is specified as the Related Exchange in the Final Terms "Related Exchange" shall mean each exchange or quotation system where trading has a material

effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

"Relevant Period" means the period, commencing on the Determination Date, which the Issuer determines in its sole discretion that would have been required in order for a Hypothetical Broker Dealer to unwind its Hedge Positions.

"Reverse Merger" is as defined under **"Merger Event"**.

"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 the regular trading session hours.

"Scheduled Trading Day" means, in respect of a Share, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Unwind Period" is such period specified in the Final Terms.

"Settlement Currency" is as defined in the Final Terms.

"Settlement Disruption Event" means an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) Shares comprised in the Affected Shares in accordance with the Conditions.

"Share" means each share specified in the Final Terms.

"Share Basket Note" means a Note relating to a basket of specified Shares.

"Share Delivery Date" means, in respect of a Share, subject as provided in Conditions 5.2A(d)(ii) (*Delivery of Shares; Settlement Disruption*), the date determined by the Calculation Agent to fall the number of days equal to the standard settlement period for the Shares on the Exchange plus two Business Days after the date on which the Delivery Conditions have been satisfied.

"Share-for-Combined" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists of Combined Consideration.

"Share-for-Other" means, in respect of a Merger Event or Tender Offer, that the Consideration for the relevant Shares consists solely of Other Consideration.

"Share-for-Share" means (i) in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists (or, at the option of the holders of such Shares, will consist) solely of New Shares, and (ii) a Reverse Merger.

"Share Issuer" is the issuer identified in the Final Terms.

"Share Note" means a Note relating to one or more Shares of a single Share Issuer.

"TARGET Settlement Day" means a day on which the TARGET2 System or any successor thereto is operating, where **"TARGET2"** means Trans-European Automated Real-Time Gross Settlement Express Transfer.

"Tender Offer" means, in respect of any Shares, 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, more than ten per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Share 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 in its determination relevant.

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

"Trading Disruption" means, in respect of a Share, any suspension of or limitation imposed on trading (i) 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, or (ii) in futures or options contracts relating to the Share.

"Trading/Exchange Disruption Event" means, in respect of a Share, the occurrence or existence (as determined by the Calculation Agent) on any Scheduled Trading Day of a Trading Disruption or an Exchange Disruption which in either case the Calculation Agent determines is material or an Early Closure.

"Valuation Date" means the final day of the Relevant Period.

Terms defined in the "Terms and Conditions of the Notes" and/or the Final Terms have the same meaning in this Emerging Markets Equity Linked Derivatives Annex. In the event of any inconsistency between the Conditions and the Additional Conditions, the Additional Conditions will prevail. In the event of any inconsistency between the Final Terms and the Conditions and the Additional Conditions, the Final Terms will prevail.

CURRENCY ANNEX

Where specified as applicable in any Final Terms relating to the issue of Notes under the Programme, the provisions of this Currency Annex shall apply to such Notes as if expressly set out in the relevant Final Terms.

1. **Amendment to the Conditions in relation to the Notes**

1.1 In relation to the Notes, the following shall be inserted as Conditions 6.9 to 6.13 (inclusive) (together, the "**Additional Conditions**"):

6.9 **Application of this Currency Annex**

- (a) Where any amount in the Conditions is expressed to be subject to an FX Calculation, the FX Calculation shall be made subject to and in accordance with this Currency Annex by the Calculation Agent, such determination being conclusive and binding on the Noteholders and the Issuer (in the absence of manifest error).
- (b) Where any payment due under the Conditions or FX Calculation is affected by an applicable Disruption Event, such payment or FX Calculation shall be made subject to and in accordance with this Currency Annex.

6.10 **Disruption Events**

(a) **Applicable Disruption Events**

A Disruption Event is applicable if it is so specified in the Disruption Event Terms. If no Disruption Event is specified, then no Disruption Event will be deemed to have been specified. If one or more Disruption Events are specified, only the Disruption Events specified will apply.

(b) **Determination of Disruption Event**

- (i) The Calculation Agent will determine in good faith whether a Disruption Event has occurred, which determination shall be final and binding on the Issuer and the Noteholders (in the absence of manifest error).
- (ii) Upon the occurrence of a Disruption Event as determined by the Calculation Agent, the Issuer shall deliver a notice (a "**Disruption Event Notice**") to the Noteholders. The Disruption Event Notice shall:
 - (I) describe the grounds on which the Calculation Agent determined that there had been a Disruption Event;
 - (II) specify the applicable Disruption Fallback;
 - (III) specify whether or not the Disruption Event has caused Early Redemption; and
 - (IV) if the Disruption Event has caused Early Redemption, specify the due date for Early Redemption (being a date not more than 30 nor less than 15 days after the date of the Disruption Event Notice) and the Early Redemption Amount.

(c) **Determination of Method of Settlement upon Occurrence of a Disruption Event**

If the Calculation Agent determines that a Disruption Event applicable to the Notes has occurred and is continuing:

- (i) in the case of any Disruption Event other than Dual Exchange Rate, Illiquidity, Material Change in Circumstance, Price Materiality or Price Source Disruption, on a Settlement Date;
- (ii) in the case of Dual Exchange Rate, Price Materiality or Price Source Disruption, on a Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source);
- (iii) in the case of Illiquidity, (A) if an Illiquidity Valuation Date is specified in the Final Terms, on an Illiquidity Valuation Date or, (B) if such a date is not specified, on a Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source); and
- (iv) in the case of Material Change in Circumstance, on a Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) or a Settlement Date,

the Settlement Rate will be determined or the payment obligations under the Notes will be altered, as the case may be, in accordance with the terms of the first applicable Disruption Fallback pursuant to Condition 6.11 (*Disruption Fallback*). For purposes of this sub-paragraph (c) only, the definition of "Business Day" as applied to the definition of Valuation Date and Settlement Date will include any day on which, in the case of a Valuation Date, commercial banks would have been open or, in the case of a Settlement Date, commercial banks would have effected delivery of the currency to be delivered, but for the occurrence in the Event Currency Jurisdiction of a banking moratorium or other similar event related to any applicable Disruption Event. Save as provided herein, Noteholders shall not be entitled to any additional payment or other assets, whether in respect of interest or otherwise, in connection with any change in the payment obligations or the method of making any FX Calculation under the Notes pursuant to these Conditions as a result of a Disruption Event.

(d) **FX Break Costs on Redemption Prior to Maturity Date**

If any Note falls due for redemption in full prior to the Maturity Date and FX Break Costs is specified as applicable in the Final Terms, the Calculation Agent shall determine the FX Break Costs in relation to such Note, and the Early Redemption Amount, the Optional Redemption Amount or, as the case may be, other amount payable to the Noteholder upon redemption of the Note shall be reduced by the amount of the FX Break Costs, unless the amount so payable has already been determined by reference to FX Break Costs or has had FX Break Costs specifically excluded from such determination.

(e) **Early Redemption upon Occurrence of a Disruption Event**

If an applicable Disruption Event occurs and such Disruption Event is specified in the Disruption Event Terms or Condition 6.11(a) (*Disruption Fallback – Applicable Disruption Fallbacks*) as an event which causes Early Redemption, the Notes shall become due for redemption by the Issuer on the due date for Early Redemption specified in the Disruption Event Notice at the Early Redemption Amount together with any interest accrued to the date fixed for redemption. Where any payment of the Early Redemption Amount or FX

Calculation in relation to the determination of the Early Redemption Amount is affected by an applicable Disruption Event, such payment obligation shall be altered or such FX Calculation shall be made pursuant to this Currency Annex. Otherwise, the Disruption Fallbacks shall not apply in relation to such Disruption Event.

6.11 **Disruption Fallback**

(a) **Applicable Disruption Fallbacks**

Subject to Conditions 6.10(e) (*Disruption Events – Early Redemption upon Occurrence of a Disruption Event*) and 6.11(c) (*Disruption Fallback – Settlement Currency*), a Disruption Fallback is applicable if it is so specified in the Disruption Event Terms. If no Disruption Fallback is specified, then, save as provided under Conditions 6.10(e) (*Disruption Events – Early Redemption upon Occurrence of a Disruption Event*), 6.11(b) (*Disruption Fallback – Presumed Disruption Fallbacks*) and 6.11(c) (*Disruption Fallback – Settlement Currency*), no Disruption Fallback will be deemed to have been specified. If one or more Disruption Fallbacks are specified, only the Disruption Fallbacks specified will apply (in the order so specified), save as provided in Conditions 6.10(e) (*Disruption Events – Early Redemption upon Occurrence of a Disruption Event*) and 6.11(c) (*Disruption Fallback – Settlement Currency*).

(b) **Presumed Disruption Fallbacks**

Unless otherwise provided in these Conditions and subject to Condition 6.10(e) (*Disruption Events – Early Redemption upon Occurrence of a Disruption Event*), if no Disruption Fallback is specified in the Disruption Event Terms with respect to an applicable Disruption Event, the following Disruption Fallbacks will be deemed to have been specified (in the following order) with respect to the Disruption Event indicated:

- (i) in respect of Settlement/Custodial Event, Assignment of Claim against Custodian;
- (ii) in respect of General Inconvertibility, General Non-Transferability, Specific Inconvertibility and Specific Non-Transferability,
 - (a) Currency Substitute; and
 - (b) Settlement Postponement;
- (iii) in respect of Benchmark Obligation Default and Governmental Authority Default,
 - (a) Local Asset Substitute-Gross, where the Benchmark Obligation so Delivered must be, in the case of Benchmark Obligation Default, the Benchmark Obligation subject to that default or, in the case of Governmental Authority Default, an obligation subject to that default; and
 - (b) Settlement Postponement;
- (iv) in respect of Nationalisation,
 - (a) Settlement Postponement; and
 - (b) Assignment of Claim;
- (v) in respect of Price Materiality, the Fallback Reference Price specified for such purpose or, if none is specified, the Fallback Reference Price

as if Currency-Reference Dealers were the alternate Settlement Rate Option;

- (vi) in respect of Illiquidity and Price Source Disruption,
 - (a) the Fallback Reference Price specified for such purpose or, if none is specified, the Fallback Reference Price as if Currency-Reference Dealers were the alternate Settlement Rate Option; and
 - (b) Calculation Agent Determination of Settlement Rate;
- (vii) in respect of Dual Exchange Rate, the Fallback Reference Price specified for such purpose or, if none is specified, Calculation Agent Determination of Settlement Rate; and
- (viii) in respect of Material Change in Circumstance, the Notes will be redeemed in accordance with Condition 6.10(e) (*Disruption Events - Early Redemption upon Occurrence of a Disruption Event*).

(c) **Settlement Currency**

If in the sole determination of the Issuer (which shall be final and binding on the Noteholders):

- (i) after applying all applicable Disruption Fallbacks, the Issuer is not able to effect settlement of a Settlement Currency Amount in the Settlement Currency; or
- (ii) following the occurrence of a Credit Event, the payment of the Cash Settlement Amount or the Adjusted Cash Settlement Amount (as the case may be) is affected by a Disruption Event,

then the Issuer shall effect settlement of the Settlement Currency Amount or pay the Cash Settlement Amount or the Adjusted Cash Settlement Amount (as the case may be):

- (a) in the Reference Currency at such Spot Rate as the Calculation Agent shall determine and in such manner as the Issuer shall in its absolute discretion determine; or
- (b) if in the sole determination of the Issuer (which shall be final and binding on the Noteholders), it is not able to effect settlement or payment in the manner specified in sub-paragraph (a) above, in such currency and in such manner as it shall in its absolute discretion determine and converted at such Spot Rate as the Calculation Agent shall determine.

(d) **More than one Disruption Event**

Unless otherwise specified in the Disruption Event Terms, if the Calculation Agent determines that more than one applicable Disruption Event has occurred and is continuing on a Settlement Date, Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) or Illiquidity Valuation Date, then all such Disruption Events must be remedied in respect of such Note in accordance with the terms of the applicable Disruption Fallbacks in the following order:

- (i) if Settlement/Custodial Event is applicable, then the Disruption Fallback specified or deemed specified with respect to Settlement/Custodial Event must be applied until such

Settlement/Custodial Event is remedied. If the Notes are to be settled in accordance with the provisions of the Assignment of Claim against Custodian Disruption Fallback, then the Disruption Events listed in sub paragraphs (ii) to (vi) (inclusive) below will be deemed remedied;

- (ii) if Dual Exchange Rate, Illiquidity, Price Materiality or Price Source Disruption is applicable and is not remedied before the Settlement Date, Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) or Illiquidity Valuation Date, then the Disruption Fallbacks specified or deemed specified with respect to Dual Exchange Rate, Illiquidity, Price Materiality or Price Source Disruption, respectively, must be applied to the Notes (in the specified order) until the Dual Exchange Rate Disruption Event, Illiquidity Disruption Event, Price Materiality Disruption Event or Price Source Disruption Event is remedied and a Settlement Rate is determined;
- (iii) if Nationalisation is applicable, then the Disruption Fallbacks specified or deemed specified with respect to Nationalisation must be applied (in the specified order) until such Nationalisation Disruption Event is remedied. If the payment obligations under the Notes are altered in accordance with the provisions of the Assignment of Claim Disruption Fallback, then the Disruption Events listed in sub-paragraphs (iv) to (vi) (inclusive) below will be deemed remedied;
- (iv) if Benchmark Obligation Default or Governmental Authority Default is applicable, then the Disruption Fallbacks specified or deemed specified with respect to Benchmark Obligation Default or Governmental Authority Default, as the case may be, must be applied (in the specified order) until such Benchmark Obligation Default Disruption Event or Governmental Authority Default Disruption Event is remedied. If the Notes are to be settled in accordance with the provisions of the Local Asset Substitute-Gross Disruption Fallback, then the Disruption Events listed in sub-paragraphs (v) and (vi) (inclusive) below will be deemed remedied;
- (v) if General Inconvertibility, General Non-Transferability, Specific Inconvertibility or Specific Non-Transferability is applicable, then the Disruption Fallbacks specified or deemed specified with respect to General Inconvertibility, General Non-Transferability, Specific Inconvertibility or Specific Non-Transferability, respectively, must be applied (in the specified order) until such General Inconvertibility Disruption Event, General Non-Transferability Disruption Event, Specific Inconvertibility Disruption Event or Specific Non-Transferability Disruption Event is remedied; and
- (vi) if Material Change in Circumstance is applicable, then the Disruption Fallbacks specified or deemed specified with respect to Material Change in Circumstance must be applied (in the specified order) until such Material Change in Circumstance Disruption Event is remedied.

6.12 Settlement Basis

(a) Cash Settlement

- (i) Where all of the applicable Disruption Events are remedied through the application of a Disruption Fallback which provides for cash payment (whether in the Settlement Currency or in another currency) on the relevant Settlement Date or through the application of the Settlement Postponement Disruption Fallback, such payment shall be made in the

manner specified under this Condition 6 subject to the terms of the applicable Disruption Fallback.

- (ii) Where Condition 6.12(a) (*Settlement Basis – Cash Settlement*) applies and it is in the opinion of the Issuer impossible or impracticable to effect payment pursuant to the applicable Disruption Fallback on the Settlement Date, the payment obligation shall be effected as soon as practicable after the Settlement Date on which such payment would otherwise be made. For the avoidance of doubt, no Noteholder shall be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of such payment being effected after the date on which such payment would otherwise be made or otherwise due to circumstances beyond the control of the Issuer.

(b) **Physical Settlement**

Where a Disruption Event has occurred and save where Condition 6.12(a) (*Settlement Basis – Cash Settlement*) applies, the payment obligations under the Notes shall be replaced by an obligation to effect Physical Settlement in the manner specified under Condition 6.13 (*Physical Settlement*).

6.13 **Physical Settlement**

(a) **Notice of Physical Settlement**

If these Conditions require the Issuer to effect Physical Settlement following a Disruption Event and Deliver assets (including, without limitation, Benchmark Obligations, rights and claims, but not cash) ("**Substitute Asset**") on a Physical Settlement Date, the Issuer shall, if such information is not already contained in the Disruption Event Notice, as soon as practicable after a Disruption Event has occurred, deliver to the Noteholders a notice (the "**Notice of Physical Settlement**") in which the Issuer shall give a detailed description of the applicable Disruption Fallback and the Substitute Asset. Where the Issuer requires the Noteholders to complete an Asset Transfer Notice in order to obtain Delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset, the Notice of Physical Settlement shall provide for such request.

(b) **Delivery on the Physical Settlement Date**

On or prior to the Physical Settlement Date, the Issuer shall, subject to Condition 6.13(d) (*Pre-condition to Issuer's obligation to Deliver*), Deliver to each Noteholder the Relevant Proportion of the Deliverable Amount of the Substitute Asset. The Issuer's obligation to pay the relevant Settlement Currency Amount shall cease and be replaced by an obligation to Deliver the Relevant Proportion of the Deliverable Amount of the Substitute Asset pursuant to this Condition. In the event that the Issuer, for any reason whatsoever, is unable to effect Delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset to any Noteholder by the Physical Settlement Date, the Issuer may continue to attempt such Delivery for an additional five Business Days after the Physical Settlement Date. Subject to Condition 6.13(f) (*Partial Cash Settlement*), failure by the Issuer to Deliver to a Noteholder the Relevant Proportion of the Deliverable Amount of the Substitute Asset on or prior to the date that is five Business Days after the Physical Settlement Date shall not constitute an Event of Default and shall not entitle the Noteholders to any right or claim for additional compensation or otherwise.

(c) **Delivery**

To "**Deliver**" the Relevant Proportion of the Deliverable Amount of the Substitute Asset pursuant to Condition 6.13(a) (*Notice of Physical Settlement*) and Condition 6.13(b) (*Delivery on the Physical Settlement Date*) means to

deliver, novate, transfer (including in the case of a guarantee, transfer of the benefit of the guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Substitute Asset (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Relevant Proportion of the Deliverable Amount of the Substitute Asset to the Noteholder free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence or right of set-off); **provided that** to the extent that the Substitute Asset consists of guarantees, "**Deliver**" shall mean to Deliver both the guarantee and the underlying obligation. "**Delivery**" and "**Delivered**" shall be construed accordingly.

(d) **Pre-condition to Issuer's obligation to Deliver**

In order to obtain Delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset, if requested by the Issuer pursuant to Condition 6.13(a) (*Notice of Physical Settlement*), each Noteholder must deliver to the Issuer or the Registrar (if different) within five Business Days of the date of delivery of the Notice of Physical Settlement (the "**Cut-Off Date**"), a duly completed Asset Transfer Notice in accordance with Condition 6.13(h) (*Asset Transfer Notice Requirements*) the form of which may be obtained from the specified office of the Issuer or the Registrar (if different) and, in the case of a holding of a Definitive Note or Registered Note, the Note (which expression shall, for the purposes of this Condition 6.13(d), include Certificate(s) and, if applicable, all unmatured Coupons and unmatured and unexchanged Talons, in accordance with the provisions of Condition 6.6 (*Unmatured Coupons and Unexchanged Talons*)). In the event that the Note is represented by a Global Note, an Asset Transfer Notice must be delivered to the Issuer via the relevant Clearing System, by such method of delivery as the relevant Clearing System shall have approved.

After delivery of an Asset Transfer Notice, no transfers of the Notes specified therein which are represented by a Global Note will be effected by any relevant Clearing System and no transfers of Registered Notes specified therein will be effected by the Registrar.

(e) **Timing of delivery of Asset Transfer Notice**

Upon receipt of a duly completed Asset Transfer Notice and, in the case of Definitive Notes or Registered Notes, the Notes to which such notice relates, the Issuer, any relevant Clearing System or the Registrar, as the case may be, shall verify that the person specified therein as the accountholder or registered holder, as the case may be, is the Holder of the Note referred to therein according to its books or the Register, as the case may be.

Subject as provided herein, in relation to each Note, the Relevant Proportion of the Deliverable Amount of the Substitute Asset will be Delivered to the relevant Noteholder at the risk of such Noteholder.

If the Asset Transfer Notice and (with respect to Definitive Notes and Registered Notes) the relevant Note are delivered to the Issuer later than close of business in London on the Cut-Off Date, then the Relevant Proportion of the Deliverable Amount of the Substitute Assets will be Delivered as soon as practicable after the date on which Delivery of the same would otherwise be made, at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, such Noteholder shall not be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of the Delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset taking place after the date on which Delivery of the same would otherwise be made pursuant to the provisions of this Condition 6.13 or otherwise due to circumstances beyond the control of the Issuer.

If the relevant Noteholder fails to deliver an Asset Transfer Notice in the manner set out herein or delivers an Asset Transfer Notice on any day falling after the day that is 180 calendar days after the Cut-Off Date or (in the case of Definitive Notes or Registered Notes) fails to deliver the Notes related thereto, or fails to pay the Delivery Expenses or the FX Break Costs (if they are a negative amount) pursuant to Condition 6.13(j) (*Physical Settlement – Costs and expenses*), the Issuer shall be discharged from its obligations in respect of such Note and shall have no further obligation or liability whatsoever in respect thereof.

(f) **Partial Cash Settlement**

(i) If due to an event beyond the control of the Issuer it is impossible, impracticable or illegal for the Issuer to Deliver, or due to an event beyond the control of any Noteholder or its designated nominee, it is impossible, impracticable or illegal for such Noteholder to accept Delivery of, all or a portion of the Relevant Proportion of the Deliverable Amount of the Substitute Asset by the Physical Settlement Date (including, without limitation, failure of the relevant Clearing System or due to any law, regulation or court order, but not including market conditions or failure to obtain any requisite consent with respect to the Delivery of loans) then by such date the Issuer shall provide a description in reasonable detail of the facts giving rise to such impossibility, impracticability or illegality and the Issuer shall Deliver and such Noteholder or its designated nominee shall take Delivery of that portion (if any) of the Relevant Proportion of the Deliverable Amount of the Substitute Asset for which it is possible, practicable and legal to take Delivery. As soon as possible thereafter, the Issuer shall Deliver and such Noteholder, its originally designated nominee or any new designated nominee shall take Delivery of the remaining portion of the Relevant Proportion of the Deliverable Amount of the Substitute Asset.

(ii) If:

(A) following the occurrence of any impossibility, impracticability or illegality referred to in (i) above, all or a portion of the Relevant Proportion of the Deliverable Amount of the Substitute Asset is not Delivered on or prior to the Latest Permissible Physical Settlement Date; or

(B) all or a portion of the Relevant Proportion of the Deliverable Amount of the Substitute Asset includes assets which, due to the non-receipt of any requisite consents, are not, by the Physical Settlement Date, capable of being delivered, assigned, novated, transferred or sold to any relevant Noteholder or its nominee and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date,

then Partial Cash Settlement pursuant to (iii) below shall be deemed to apply with respect to that portion of the Relevant Proportion of the Deliverable Amount of the Substitute Asset that cannot be Delivered for the reasons specified in (A) above (the "**Undeliverable Asset**") or that portion of the Relevant Proportion of the Deliverable Amount of the Substitute Asset of the type referred to in (B) above that cannot be Delivered to a Noteholder or its nominee without consent (the "**Consent Required Assets**").

(iii) On the Partial Cash Settlement Date, the Issuer shall pay to each relevant Noteholder the Relevant Proportion of the Partial Cash Settlement Amount adjusted for any amount Delivered to the

Noteholder pursuant to (i) above and upon discharge by the Issuer of such payment obligation on the Partial Cash Settlement Date, the Issuer's obligations in respect of the relevant Note(s) shall be discharged. For the purposes of this Condition 6.13(f):

"Partial Cash Settlement Amount" means, for each Undeliverable Asset or Consent Required Asset, the greater of (A) the Event Currency Amount or Specified Value, as applicable, of each Undeliverable Asset or Consent Required Asset, multiplied by the prevailing mid-market price of such Undeliverable Asset or Consent Required Asset as determined by the Calculation Agent and (B) zero; and

"Partial Cash Settlement Date" means the date that is three Business Days after the Latest Permissible Physical Settlement Date.

(g) **Delivery of Substitute Asset after Physical Settlement Date**

If, in accordance with Conditions 6.13(d) (*Pre-condition to Issuer's obligation to Deliver*), 6.13(e) (*Timing of delivery of Asset Transfer Notice*) and 6.13(f) (*Partial Cash Settlement*), the Relevant Proportion of the Deliverable Amount of the Substitute Asset is Delivered later than the Physical Settlement Date, until Delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset is made to the relevant Noteholder, the Issuer or any person holding such assets on behalf of the Issuer shall continue to be the legal owner of those assets. None of the Issuer and any such other person shall (i) be under any obligation to deliver or procure delivery to such Noteholder or any subsequent transferee any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such assets, (ii) be under any obligation to exercise or procure the exercise of any or all rights (including voting rights) attaching or appertaining to such assets until the date of Delivery, or (iii) be under any liability to such Noteholder or subsequent transferee for any loss, liability, damage, cost or expense that such Noteholder or subsequent transferee may sustain or suffer as a result, whether directly or indirectly, of that person not being the legal owner of such assets until the date of Delivery.

(h) **Asset Transfer Notice Requirements**

An Asset Transfer Notice is irrevocable and must (to the extent applicable):

- (i) specify the account details or name of the person to whom Delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset is to be made;
- (ii) specify the number of Notes which are the subject of such notice;
- (iii) in the event such Notes are represented by a Global Note:
 - (A) specify the number of the Noteholder's account at the relevant Clearing System to be debited with such Notes; and
 - (B) irrevocably instruct and authorise the relevant Clearing System to debit the relevant Noteholder's account with such Notes on the due date for redemption of the Notes;
- (iv) in the event that such Notes are Registered Notes, irrevocably instruct and authorise the Registrar to effect the transfer of the relevant Notes;
- (v) authorise the production of such notice in any applicable administrative or legal proceedings;
- (vi) authorise the Issuer to deduct from the Relevant Proportion of the Deliverable Amount of the Substitute Asset to be delivered in

accordance with such notice, the Delivery Expenses as referred to in Condition 6.13(j) (*Physical Settlement – Costs and expenses*) below; and

- (vii) contain any further information as may be requested by the Issuer in the Notice of Physical Settlement for the purpose of effecting such settlement.

Failure properly to complete and deliver an Asset Transfer Notice and, in the case of Definitive Notes or Registered Notes, to deliver the relevant Note(s), may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the Issuer in its sole and absolute discretion and shall be conclusive and binding on the relevant Noteholder.

(i) **Fractional Entitlement**

If the Relevant Proportion of the Deliverable Amount of the Substitute Asset comprises less than a multiple of a whole number of the Substitute Asset at the relevant time, then (i) the Issuer shall not Deliver and the relevant Noteholder shall not be entitled to receive in respect of its Notes that fraction of an asset which is less than a whole number (the "**Fractional Entitlement**") and (ii) the Issuer shall pay to the relevant Noteholder a cash amount (to be paid at the same time as Delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset) equal to the value (as determined by the Calculation Agent) of such Fractional Entitlement.

(j) **Costs and expenses**

- (i) The costs and expenses, including any stamp, registration, documentation or similar taxes (the "**Delivery Expenses**"), of effecting any delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset (except for the expenses of delivery by uninsured regular mail (if any), which shall be borne by the Issuer) and the amount of the FX Break Costs (if they are a negative amount) shall be borne by the Noteholder and shall at the option of each Noteholder as specified in the Asset Transfer Notice either be:

- (A) paid to the Issuer by such Noteholder prior to the Delivery of the Relevant Proportion of the Deliverable Amount of the Substitute Asset (and, for the avoidance of doubt, the Issuer shall not be required to Deliver any portion of the Substitute Asset to such Noteholder until it has received such payment); or

- (B) deducted by the Issuer from the amount which may be payable to such Noteholder in accordance with Conditions 6.13(f)(iii) (Partial Cash Settlement) and 6.13(i) (Fractional Entitlement) (if applicable).

- (ii) If the cash amount (if any) owing to a Noteholder under Conditions 6.13(f)(iii) (*Partial Cash Settlement*) and 6.13(i) (*Fractional Entitlement*) is not sufficient to cover the Delivery Expenses, the Issuer may convert such amount of the Relevant Proportion of the Deliverable Amount of the Substitute Asset into cash sufficient to cover the Delivery Expenses and the amount of the FX Break Costs (if they are a negative amount) in respect of such Note from which the Issuer shall deduct such Delivery Expenses and the FX Break Costs. Each Note will then be redeemed by delivery of the remaining portion of the Relevant Proportion of the Deliverable Amount of the Substitute Asset in respect of such Note and, if applicable and after any deduction to cover the

Delivery Expenses and the amount of the FX Break Costs (if they are a negative amount), payment of a cash amount in respect of any Fractional Entitlement arising, together with any other amounts to which such Noteholder is entitled upon redemption of such Note.

- (iii) If the FX Break Costs are a positive amount, such amount shall be paid in cash to the Noteholder on the date on which the Relevant Proportion of the Deliverable Amount of the Substitute Assets is Delivered to the Noteholder or (if later) the date on which the remaining portion thereof is Delivered to the Noteholder pursuant to Condition 6.13(f)(iii) (*Partial Cash Settlement*) or on the Partial Cash Settlement Date.

(k) **No Obligation to Register Noteholder**

The Issuer shall not be under any obligation to register or procure the registration of any Noteholder or any other person as the registered holder of any Substitute Asset to be delivered in the register of members or holders of securities of any company whose securities form part of the Substitute Asset. The Issuer shall not be obliged to account to any Noteholder for any entitlement received or receivable in respect of any of the Substitute Asset to be delivered if the date on which such are first traded ex such entitlement is on or prior to the date of Delivery. The Issuer shall determine, in its sole and absolute discretion, the date on which such assets are so first traded ex any such entitlement.

(l) **Delivery of Notices**

Any notice referred to in this Condition 6.13 (*Physical Settlement*) above delivered on or prior to 4.00 p.m. (London time) on a London Business Day will be effective on such London Business Day. A notice delivered after 4.00 p.m. (London time) on a London Business Day will be deemed effective on the next following London Business Day. Any such notice given must be in writing and, for so long as the Notes are held on behalf of a Clearing System, for the purpose of this Currency Annex, any such notice shall be treated as "delivered" to Noteholders when delivered to the relevant Clearing System, whether by email, by facsimile, by hand or any other method of delivery accepted by the relevant Clearing System for notices for onward transmission to its accountholders."

- 1.2 In relation to the Notes, if the Credit Linked Derivatives Annex is applicable to the Notes, the following shall be inserted as Condition 5.2B(f):

"5.2B(f) If an event or circumstance which would otherwise constitute or give rise to a Disruption Event also constitutes a Credit Event, it will be treated as a Credit Event under the Credit Linked Derivatives Annex and will not constitute a Disruption Event."

2. **Definitions and Interpretation**

- (a) For the purposes of these Conditions, the following words shall have the following meaning:

"**Affiliate**" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose "control" of any entity or person means ownership of a majority of the voting power of the entity or person;

"**American Depositary Receipt**" means, with respect to any Notes for which the relevant Settlement Rate Option is "CURRENCY-IMPLIED RATE (ADR)", a negotiable instrument issued by a commercial bank acting as a depositary that represents a specified number of common or ordinary shares issued by an entity organised outside the United States held in a safekeeping account with the depositary's custodian.

"**Asset Transfer Notice**" means a notice that complies with Condition 6.13(h) (*Asset Transfer Notice Requirements*), issued by a Noteholder to the Issuer, in connection with a redemption of any Note by way of Physical Settlement;

"Assignment of Claim" means, if specified in the Disruption Event Terms or deemed to be applicable under these Conditions, that, in respect of a Nationalisation Disruption Event, the Issuer or, if applicable, its Relevant Affiliate (the **"Nationalised Party"**) whose assets relating to the relevant Note are subject to such an event (the **"Nationalised Assets"**) will assign to the Noteholders its official claim for recovery of the Nationalised Assets against any Governmental Authority with respect to the occurrence of such Nationalisation Disruption Event (the **"Claim"**) in an amount equal to the Event Currency Amount if such assignment is permitted under applicable law. If such assignment is not permitted under applicable law (and unless otherwise specified in these Conditions), the Nationalised Party will transfer a beneficial interest in such Claim to the Noteholders;

"Assignment of Claim against Custodian" means, in respect of a Disruption Event, the Issuer whose assets relating to the relevant Note are subject to such an event (the **"Custody Assets"**) will assign to the Noteholders its official claim for recovery of the Custody Assets against the Custodian with respect to the occurrence of such Disruption Event (the **"Claim"**) in an amount equal to the face value of the Benchmark Obligation if such assignment is permitted under applicable law, and if such assignment is not permitted under applicable law (and unless otherwise specified in these Conditions), the Issuer will transfer a beneficial interest in such Claim to the Noteholders;

"Benchmark Obligation(s)" means the obligation(s) so specified in the Disruption Event Terms;

"Benchmark Obligation Default" means, with respect to any Benchmark Obligation, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to, (A) 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, (B) a declared moratorium, standstill, waiver, deferral, Repudiation or rescheduling of any principal, interest or other amounts due in respect of such Benchmark Obligation, or (C) 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;

"Consent Required Assets" shall have the meaning specified in Condition 6.13(f)(ii) (*Physical Settlement – Partial Cash Settlement*);

"Currency Reference Dealer Specified Time" means, with respect to any Note for which the relevant Settlement Rate Option is "CURRENCY-REFERENCE DEALERS", the time specified as such in the Final Terms;

"Currency Substitute" means, if specified in the Disruption Event Terms or deemed to be applicable under these Conditions, that the obligation of the Issuer to pay the Settlement Currency Amount will be replaced by an obligation to pay an amount of Event Currency equal to the Event Currency Amount on the Settlement Date;

"Custodian" means any custodian (or any successor thereof) used by the Issuer (or its designee) for the purposes of holding the Benchmark Obligation;

"Cut-Off Date" shall have the meaning specified in Condition 6.13(d) (*Physical Settlement – Pre-condition to Issuer's obligation to Deliver*);

"Deliver", **"Delivered"** and **"Delivery"** shall have the meaning specified in Condition 6.13(c) (*Physical Settlement – Delivery*);

"Deliverable Amount" means a nominal amount of Substitute Assets equal to the outstanding Aggregate Nominal Amount of the Notes at the Physical Settlement Date;

"Delivery Expenses" shall have the meaning specified in Condition 6.13(j) (*Physical Settlement – Costs and expenses*);

"Disruption Event" means an event that, if applicable as specified in the Disruption Event Terms, would give rise in accordance with an applicable Disruption Fallback to either an alternative basis for determining the Settlement Rate or an alteration to the payment obligations under the Notes;

"Disruption Event Terms" means the terms contained in the applicable Final Terms where the Disruption Events and Disruption Fallbacks applicable to the Notes are specified;

"Disruption Fallback" means a source or method that, if applicable as specified in the Disruption Event Terms or pursuant to Condition 6.11 (*Disruption Fallback*), gives rise to either an alternative basis for determining a Settlement Rate or an alteration to the payment obligations under the Notes as the case may be, when a Disruption Event has occurred and is continuing on the relevant date set forth in Condition 6.10(c) (*Disruption Events - Determination of Method of Settlement upon Occurrence of a Disruption Event*);

"Dual Exchange Rate" means, if specified in the Disruption Event Terms or deemed to be applicable under these Conditions, in relation to an applicable Settlement Rate Option, that the currency exchange rate specified in such Settlement Rate Option is split into dual or multiple currency exchange rates;

"Early Redemption" means that the Notes will be redeemed in accordance with Condition 6.10(e) (*Disruption Events – Early Redemption upon Occurrence of a Disruption Event*);

"Event Currency" means the currency specified as such in the Final Terms or, if such a currency is not specified, the Reference Currency;

"Event Currency Amount" means (i) where the Event Currency is the Settlement Currency, the Settlement Currency Amount, or (ii) where the Event Currency is not the Settlement Currency, the Settlement Currency Amount converted into Event Currency at the Settlement Rate. For purposes of this definition: (a) the Valuation Date will be the original date that, but for the occurrence of a Disruption Event, would have been the Settlement Date, and (b) the Settlement Rate will be the relevant method of determining the Settlement Rate specified in the Final Terms or, if the Calculation Agent determines (which determination shall be final and binding on the Issuer and the Noteholders) that such method of determining the Settlement Rate is inappropriate, the Settlement Rate shall be determined as if the Settlement Rate Option were Currency-Reference Dealers;

"Event Currency Jurisdiction" means, in respect of a Note, the country for which the Event Currency is the lawful currency;

"Fallback Reference Price" means, if specified in the Disruption Event Terms or deemed to be applicable under these Conditions, that the Calculation Agent will determine the Settlement Rate for a Note on the relevant Settlement Date or Valuation Date or Illiquidity Valuation Date (as applicable) (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced) pursuant to the first of the alternate Settlement Rate Options, if any, specified as a Fallback Reference Price for such purpose in the Disruption Event Terms that is not subject to a Disruption Event;

"Fractional Entitlement" shall have the meaning specified in Condition 6.13(i) (*Physical Settlement – Fractional Entitlement*);

"FX Break Costs" means, in relation to a Note which is redeemed prior to the Maturity Date and the terms of which include an FX Calculation, the amount determined by the Calculation Agent equivalent to the net amount (if any) payable by the Issuer to unwind, terminate or amend any hedging, funding or other financial arrangements which the Issuer had put in place in connection with the FX Calculation as a result of redemption of the Note, to the extent such amounts relate to the Note redeemed;

"FX Calculation" means any calculation or determination of any conversion, exchange, payment, purchase or sale of one currency into or for another currency by reference to an FX Rate;

"FX Rate" means as at any time the currency exchange rate between any two currencies that is specified in the Conditions or determined in accordance with the Settlement Rate Option specified (or deemed specified) in the Conditions;

"General Inconvertibility" means the occurrence of any event that generally makes it impossible to convert the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction through customary legal channels;

"General Non-Transferability" means the occurrence of any event that generally makes it impossible to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction, or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction;

"Governmental Authority" means any de facto or de jure government (or any agency, instrumentality, ministry or department 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 Event Currency Jurisdiction;

"Governmental Authority Default" means, with respect to any security or indebtedness for borrowed money of, or guaranteed by, any Governmental Authority, the occurrence of a default, event of default or other similar condition or event (however described) including, but not limited to, (A) 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 any such security, indebtedness for borrowed money or guarantee, (B) a declared moratorium, standstill, waiver, deferral, Repudiation or rescheduling of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee, or (C) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of any such security, indebtedness for borrowed money or guarantee without the consent of all holders of such 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 such Governmental Authority to issue or enter into such security, indebtedness for borrowed money or guarantee;

"Illiquidity" means it becomes impossible to obtain a firm quote of the Settlement Rate for the Minimum Amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the Minimum Amount) on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source) or by such other date (the **"Illiquidity Valuation Date"**) as is specified for such purpose in the Disruption Event Terms. If an Illiquidity Valuation Date is specified for a Note and an Illiquidity Disruption Event occurs on such date, then for purposes of any relevant Disruption Fallbacks, the Illiquidity Valuation Date will be deemed to be the Valuation Date for that Note;

"Latest Permissible Physical Settlement Date" means the date that, in respect of Condition 6.13(f)(ii)(A) (*Physical Settlement – Partial Cash Settlement*), is thirty calendar days after the Physical Settlement Date and, in respect of Condition 6.13(f)(ii)(B) (*Physical Settlement – Partial Cash Settlement*), the date that is fifteen Business Days after the Physical Settlement Date or such other date(s) specified in the Final Terms;

"Local Asset" means, with respect to any Note for which the relevant Settlement Rate Option is "CURRENCY-IMPLIED RATE (LOCAL ASSET)", the asset specified as such in the Final Terms or, if an asset is not so specified, the asset selected by the Calculation Agent, for which quotations are available in the Reference Currency in the country where the Reference Currency is the lawful currency and in the Settlement Currency in international markets outside such country;

"Local Asset Substitute-Gross" means, if specified in the Disruption Event Terms or deemed to be applicable under these Conditions, that the Issuer will, in accordance with Condition 6.13 (*Physical Settlement*), Deliver Benchmark Obligations with a Specified Value equal to the

Settlement Currency Amount in respect of each Note which is subject to Physical Settlement to an account designated by the Noteholder as provided in these Conditions;

"London Business Day" means a day other than a Saturday or Sunday on which commercial banks are generally open for business in London;

"Material Change in Circumstance" means the occurrence of any event (other than those events specified as Disruption Events applicable to a Note in the Disruption Event Terms) in the Event Currency Jurisdiction beyond the control of the Issuer which makes it impossible (A) for the Issuer to fulfil its obligations under the Notes, and (B) generally to fulfil obligations similar to the Issuer's obligations under the Notes;

"Maximum Days of Disruption" means, in respect of a Note and for the purposes of the definition of Settlement Postponement and the provisions relating to Material Change in Circumstance, the number of Business Days specified as such in the Disruption Event Terms;

"Minimum Amount" means the amount specified as such in the Disruption Event Terms or, if such an amount is not specified, (i) for purposes of the definition of "Illiquidity", the Reference Currency Notional Amount and (ii) for purposes of the definition of "Specific Inconvertibility", the Event Currency equivalent of U.S.\$1;

"Nationalisation" means any expropriation, confiscation, requisition, nationalisation or other action by any Governmental Authority which deprives the Issuer (or any of its Relevant Affiliates) of all or substantially all of its assets in the Event Currency Jurisdiction;

"Non-Event Currency" means the currency for any FX Rate that is not the Event Currency;

"Notice of Physical Settlement" shall have the meaning specified in Condition 6.13(a) (*Physical Settlement – Notice of Physical Settlement*);

"Partial Cash Settlement Amount" and **"Partial Cash Settlement Date"** shall each have the meaning specified in Condition 6.13(f)(iii) (*Physical Settlement – Partial Cash Settlement*). In determining Partial Cash Settlement Amount in respect of any Benchmark Obligation following the occurrence of a Settlement/Custodial Event, the calculation shall assume for the purposes of all quotes and valuations that references to the Benchmark Obligation that is to be valued are to such Benchmark Obligation subject to custody of the Custodian in relation to which the Settlement/Custodial Event has occurred, so that such Settlement/Custodial Event shall be taken into account in obtaining quotes and determining valuations;

"Physical Settlement" means, upon occurrence of a Disruption Event, the Issuer is required to deliver a Substitute Asset on a Physical Settlement Date under these Conditions;

"Physical Settlement Date" means the date that is:

- (i) the number of Business Days specified in the Final Terms; or
- (ii) if such number of Business Days is not so specified, 15 Business Days,

after the date of delivery of the Notice of Physical Settlement;

"Price Materiality" means, if specified in the Disruption Event Terms or deemed to be applicable under these Conditions, the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage;

"Price Materiality Percentage" means the percentage specified as such in the Disruption Event Terms;

"Price Source Disruption" means, if specified in the Disruption Event Terms or deemed to be applicable under these Conditions, it becomes impossible to obtain the Settlement Rate on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source);

"Primary Rate" means, in respect of a Note and for the purposes of the definition of Price Materiality, the rate determined using the Settlement Rate Option specified for such purpose in the Disruption Event Terms;

"Principal Financial Centre" means, in respect of a currency, the financial centre or centres specified as such in this Currency Annex or, if none is specified, the financial centre or centres indicated with respect to such currency as stated in Section 4.4 of Annex A to the 1998 FX and Currency Option Definitions published by the International Swaps and Derivatives Association, Inc. (as amended and supplemented from time to time);

"Rate Calculation Date" means the Valuation Date;

"Reference Currency" means, unless the context otherwise requires, the currency specified as the Reference Currency in the Final Terms or, if no such currency is specified, the Specified Currency;

"Reference Currency Notional Amount" means the quantity of Reference Currency specified as such in these Conditions;

"Reference Dealers" means, with respect to any Note for which the relevant Settlement Rate Option is "CURRENCY-IMPLIED RATE (ADR)", "CURRENCY-IMPLIED RATE (LOCAL ASSET)" or "CURRENCY-REFERENCE DEALERS", the dealers specified in the Final Terms or, if dealers are not so specified, four leading dealers in the relevant market selected by the Calculation Agent;

"Relevant Affiliate" means the entities specified as such in the Disruption Event Terms or, if none are specified, any Affiliates of the Issuer;

"Relevant Proportion" means the proportion which the principal amount of the Note(s) the subject of an Asset Transfer Notice or any settlement instruction, bears to the aggregate principal amount of all Notes outstanding (including those that are the subject of the Asset Transfer Notice or settlement instructions) immediately prior to the date set for redemption;

"Repudiation" means that, in respect of a Note, (i) for purposes of the definition of Benchmark Obligation Default, the issuer of or any party to, as the case may be, the relevant Benchmark Obligation disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of the Benchmark Obligation in any material respect, and (ii) for purposes of the definition of Governmental Authority Default, the relevant Governmental Authority disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of any security, indebtedness for borrowed money or guarantee of such Governmental Authority in any material respect;

"Secondary Rate" means, in respect of a Note and for the purpose of the definition of Price Materiality, the rate determined using the Settlement Rate Option specified for such purpose in the Disruption Event Terms;

"Settlement/Custodial Event" means any Custodian (or any successor thereof) fails to do any one or more of the following:

- (i) deliver or credit any amount or Benchmark Obligations owned by the Issuer (or its designee) to the account of the Issuer (or its designee) as instructed by the Issuer (or its designee);
- (ii) deliver any amount to a third party when requested to do so by the Issuer (or its designee);
- (iii) surrender any Benchmark Obligations owned by the Issuer (or its designee) when requested to do so by the Issuer (or its designee);
- (iv) purchase or sell any Benchmark Obligations or take any other action when instructed to do so by the Issuer (or its designee); or

- (v) perform in a full and timely manner all of its obligations to the Issuer (or its designee) under any custodian or similar arrangements entered into by the Issuer (or its designee) with the Custodian at any time in relation to Benchmark Obligations and/or any related amount or currency (which shall include, for the avoidance of doubt, a repudiation or termination of any such arrangements without the prior consent of the Issuer (or its designee));

"Settlement Currency" means, in respect of any payment obligation of the Issuer under the Notes, the currency in which the Issuer is required, subject to this Currency Annex and, unless the context otherwise requires, taking into account the application of any Disruption Fallbacks, to make such payment on a Settlement Date under these Conditions;

"Settlement Currency Amount" means, in respect of any payment obligation of the Issuer in respect of a Note, the amount of such payment obligation denominated in the Settlement Currency;

"Settlement Date" means, in respect of any payment obligation of the Issuer under the Notes, (a) the date on which such payment falls due under the terms of these Conditions, or (b), if applicable, determined in accordance with the definition of "Settlement Postponement" in these Conditions, **provided that** in either case, such date is subject to adjustment in accordance with the Following Business Day Convention unless another Business Day Convention is specified to be applicable generally or specifically to that Settlement Date in these Conditions;

"Settlement Postponement" means, if specified in the Disruption Event Terms or deemed to be applicable under these Conditions, that any Settlement Date for the Notes that is affected by a Disruption Event will be deemed to be the first succeeding Business Day on which the applicable Disruption Event ceases to exist, unless that Disruption Event continues to exist (measured from the original date that, but for the occurrence of a Disruption Event, would have been the Settlement Date) for a number of consecutive Business Days equal to the Maximum Days of Disruption. In that case, the last such consecutive Business Day will be the Settlement Date and the next Disruption Fallback specified in the Disruption Event Terms will apply to the Notes or if there is none and (if applicable) subject to Condition 6.10(e) (*Disruption Events – Early Redemption upon Occurrence of a Disruption Event*), Condition 6.11(c) (*Disruption Fallback – Settlement Currency*) shall apply;

"Specific Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer to convert the Minimum Amount of the Event Currency into the Non-Event Currency in the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the Notes and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation);

"Specific Non-Transferability" means the occurrence of any event that makes it impossible for the Issuer to deliver (A) the Non-Event Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction, or (B) the Event Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction, other than where such impossibility is due solely to the failure by the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the Notes and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation);

"Specified Amount" means, in respect of a Note and a Settlement Rate Option, the amount of Reference Currency specified as such in the Final Terms or, if such an amount is not specified, an amount equal to a "standard size" transaction for such Reference Currency (the amount which is generally accepted by foreign exchange dealers as the standard size transaction in the market for such currency as of the Valuation Date);

"Specified Company" means, with respect to any Note for which the relevant Settlement Rate Option is "CURRENCY-IMPLIED RATE (ADR)", the company specified as such in the Final

Terms or, if a company is not so specified, a company selected by the Calculation Agent, which company's shares trade (i) on an exchange located in the country for which the Reference Currency is the lawful currency and (ii) in the United States in the form of an American Depositary Receipt;

"Specified Currency" means the currency specified as such in the Final Terms as the currency in which the Notes are denominated;

"Specified Office" means, with respect to any Note for which the relevant Settlement Rate Option is "CURRENCY-REFERENCE DEALERS", the office or branch of the Reference Dealer located in the city specified for such purpose in the Final Terms. If a city is not so specified, the Specified Office will be deemed to be an office or branch of the Reference Dealer located in the Principal Financial Centre of the Reference Currency unless (i) no quotations are available from the relevant office or branch of each of the Reference Dealers due to the occurrence of an applicable Disruption Event, or (ii) "CURRENCY-REFERENCE DEALERS" is specified (or deemed specified) as the Fallback Reference Price for a Settlement Rate Option where the currency exchange rate specified in such Settlement Rate Option is an offshore currency exchange rate. In each such case, the Specified Office will be the office or branch of the Reference Dealer located in any major market for the purchase and sale of the Reference Currency and the Settlement Currency outside the country where the Reference Currency is the lawful currency, as selected by the Calculation Agent;

"Specified Rate" means, in respect of a Note and the determination of the Settlement Rate pursuant to a Settlement Rate Option, any of the following rates, as specified in the Final Terms: (i) the Reference Currency bid exchange rate, (ii) the Reference Currency offer exchange rate, (iii) the average of the Reference Currency bid and offer exchange rates, (iv) the Settlement Currency bid exchange rate, (v) the Settlement Currency offer exchange rate, (vi) the average of the Settlement Currency bid and offer exchange rates, or (vii) the official fixing rate. If no such rate is specified, the Specified Rate will be such rate as the Calculation Agent selects in its sole and absolute discretion.

"Specified Time" means, in respect of a Note and the determination of the Settlement Rate pursuant to the related Settlement Rate Option, the time specified as such in the Final Terms and if none is specified, 11.00 a.m. London Time;

"Specified Value" means, in respect of a Note and a Benchmark Obligation, any of the following values, as specified in the Disruption Event Terms: (i) outstanding principal balance (as valued on the Settlement Date), (ii) the stated principal balance, (iii) the face value, (iv) the market value (as valued on the Settlement Date), or (v) any other value specified as the Specified Value in the Disruption Event Terms;

"Spot Rate" means, for any Rate Calculation Date, the FX Rate determined in accordance with the specified (or deemed specified) Settlement Rate Option, or if a Settlement Rate Option is not specified (or deemed specified), the currency exchange rate at the time at which such rate is to be determined for foreign exchange transactions in the two relevant currencies for value on the Settlement Date, as determined in good faith and in a commercially reasonable manner by the Calculation Agent;

"Substitute Asset" shall have the meaning set out in Condition 6.13(a) (*Physical Settlement – Notice of Physical Settlement*);

"Undeliverable Asset" shall have the meaning specified in Condition 6.13(f)(ii) (*Physical Settlement – Partial Cash Settlement*);

"Valuation Date" means each date specified or otherwise determined as a Valuation Date (or, if applicable, the Illiquidity Valuation Date) under the Final Terms and (if applicable) the Disruption Event Terms as of which a Settlement Rate is to be determined, subject to adjustment in accordance with the Preceding Business Day Convention unless another Business Day Convention is specified to be applicable to that Valuation Date; and

"Zero Coupon Note" means a Note in relation to which no Interest Amount is payable by the Issuer to the Noteholder.

- (b) For the purpose of these Conditions, sub-paragraphs (a) and (b) of Section 4.3 of Annex A to the 1998 FX and Currency Option Definitions published by the International Swaps and Derivatives Association, Inc. (as amended and supplemented from time to time up to the Issue Date) shall, to the extent those terms are used in these Conditions, be deemed to be incorporated in these Conditions.
- (c) If the currency exchange rate specified in the applicable Settlement Rate Option is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by the relevant Governmental Authority, and such currency exchange rate ceases to exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by such Governmental Authority (the **"Official Successor Rate"**) then the Settlement Rate for the relevant Valuation Date will be determined as if this Currency Annex specifies any available price source which publishes or announces the Official Successor Rate (including, but not limited to, an official publication of that Governmental Authority) on such Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source) as the applicable Settlement Rate Option.
- (d) Subject to paragraph (c) above, each currency with respect to a particular country specified in relation to a Note will be deemed to include any lawful successor currency (the **"Successor Currency"**) of that country. If, after the Issue Date and on or before the Settlement Date of a Note, a country has lawfully eliminated, converted, redenominated or exchanged its currency in effect on such Issue Date or any Successor Currency, as the case may be (the **"Original Currency"**), for a Successor Currency, then for purposes of calculating any amounts of such currency, and for purposes of 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 such country for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place. If there is more than one such date, the date closest to the Settlement Date will be selected.
- (e) If the currency exchange rate specified in the applicable Settlement Rate Option is published or announced by more than one price source and the price source referred to in such Settlement Rate Option fails to publish or announce that currency exchange rate on the Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by such price source), then the Settlement Rate for that Valuation Date will be determined as if this Currency Annex specifies any other available price source which actually publishes or announces such currency exchange rate on such Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source) as the applicable Settlement Rate Option.
- (f) Terms defined in the "Terms and Conditions of the Notes" and/or the Final Terms have the same meaning in this Currency Annex. In the event of any inconsistency between the Conditions and the Additional Conditions, the Additional Conditions, will prevail. In the event of any inconsistency between the Final Terms and the Conditions and the Additional Conditions, the Final Terms will prevail.

RATE OPTION ANNEX

Part 1: Settlement Rate Options

"**AOA Rate**" means the National Bank of Angola auction rate for the Settlement Currency specified on www.bna.ao in the "Venda" column under the heading "Câmbios" on the Valuation Date.

"**BWP Rate**" means the exchange rate for the Settlement Currency specified on <http://www.bankofbotswana.bw/> on the Valuation Date.

"**ETB Rate**" means the National Bank of Ethiopia weighted average inter-bank daily foreign exchange rate for the Settlement Currency as published on <http://www.nbebank.com/market/dailyexchange.html> on the Valuation Date.

"**MWK Rate**" means the Reserve Bank of Malawi Official Exchange Rate for the Settlement Currency as published on <http://www.rbm.mw> on the Valuation Date.

"**MZN Rate**" means the average of the "Compra" and "Venda" rates for the Settlement Currency under the heading "Taxas de Câmbio" specified on <http://www.bancomoc.mz/> on the Valuation Date.

"**TZS Rate**" means the "Selling" rate for the Settlement Currency (except that where the Settlement Currency is USD the "Selling" rate shall be divided by 100) as published under the heading "Financial Markets" on www.bot-tz.org on the Valuation Date.

"**UGX Rate**" means the mid-point of the "Buying" and "Selling" exchange rates for the Settlement Currency as published on <http://www.bou.or.ug> at 12:30pm Kampala time on the Valuation Date for USD and at 15:30 Kampala time on the Valuation Date for all other Settlement Currencies.

"**ZMW Rate**" means the exchange rate for ZMW and the Settlement Currency specified on Thomson Reuters page ZMWFIX=TR on the Valuation Date.

Part 2: Benchmark Rates

"**AOA 3m T-Bill**" means the interest rate specified on www.bna.ao in the 'Taxa' column opposite the '3 Meses' entry in the 'Maturidade' column on the Interest Determination Date.

"**AOA 6m T-Bill**" means the interest rate specified on www.bna.ao in the 'Taxa' column opposite the '6 Meses' entry in the 'Maturidade' column on the Interest Determination Date.

"**AOA 12m T-Bill**" means the interest rate specified on www.bna.ao in the 'Taxa' column opposite the '12 Meses' entry in the 'Maturidade' column on the Interest Determination Date.

"**BWP 14d BoBC**" means the interest rate specified on Reuters page PULB as the '14 Day BoBC Rate' on the Interest Determination Date.

"**BWP 91d BoBC**" means the interest rate specified on <http://www.bankofbotswana.bw/> as the '91 Day BoBC Rate' on the Interest Determination Date.

"**MWK 91d T-Bill**" means the interest rate specified as the 91 day tenor Current Average Yield percentage on <http://www.rbm.mw> on the Interest Determination Date.

"**MWK 182d T-Bill**" means the interest rate specified as the 182 day tenor Current Average Yield percentage on <http://www.rbm.mw> on the Interest Determination Date.

"**MWK 364d T-Bill**" means the interest rate specified as the 364 day tenor Current Average Yield percentage on <http://www.rbm.mw> on the Interest Determination Date.

"**MZN FPC**" means the Bank of Mozambique FX Facilidade Permanente de Cedência rate as published on <http://www.bancomoc.mz/> on the Interest Determination Date.

"**TZS 91d T-Bill**" means the Weighted Average Yield that is published in the "91 Days" column under the "Government Securities – Treasury Bills – Auction Results" link on www.bot-tz.org on the Interest Determination Date.

"TZS 182d T-Bill" means the Weighted Average Yield that is published in the "182 Days" column under the "Government Securities – Treasury Bills – Auction Results" link on www.bot-tz.org on the Interest Determination Date.

"TZS 364d T-Bill" means the Weighted Average Yield that is published in the "364 Days" column under the "Government Securities – Treasury Bills – Auction Results" link on www.bot-tz.org on the Interest Determination Date.

"UGX 91d T-Bill" means the interest rate for 91 day treasury bills published on <http://www.bou.or.ug> on the date closest to the Interest Determination Date.

"UGX 182d T-Bill" means the interest rate determined by the Issuer by reference to the weighted average price for 182 day treasury bills published on <http://www.bou.or.ug> on the Interest Determination Date or, if such figures are not published on the Interest Determination Date, by reference to such figures as are published most recently prior to the Interest Determination Date.

"UGX 364d T-Bill" means the interest rate determined by the Issuer by reference to the weighted average price for 364 day treasury bills published on <http://www.bou.or.ug> on the Interest Determination Date or, if such figures are not published on the Interest Determination Date, by reference to such figures as are published most recently prior to the Interest Determination Date.

"ZMW 3m T-Bill" means the interest rate specified on Thomson Reuters page ZMWFIX=TR on the Interest Determination Date for 3 month treasury bills issued by the government of the Republic of Zambia.

"ZMW 6m T-Bill" means the interest rate specified on Thomson Reuters page ZMWFIX=TR on the Interest Determination Date for 6 month treasury bills issued by the government of the Republic of Zambia.

"ZMW 1yr T-Bill" means the interest rate specified on Thomson Reuters page ZMWFIX=TR on the Interest Determination Date for 1 year treasury bills issued by the government of the Republic of Zambia.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Upon the initial deposit of a Global Note 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, Clearstream, Luxembourg and/or the Depository Trust Company ("**DTC**") (as the case may be) and delivery of the relevant Global Certificate to the common depository or the custodian for DTC, DTC, Euroclear or Clearstream, Luxembourg (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with a the common depository or custodian may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear, Clearstream, Luxembourg and DTC (as the case may be) 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, DTC or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be) for his share of each payment made by the Issuer 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 Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer 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.

Exchange

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 below):
 - (a) if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Selling Restrictions"), in whole, but not in part, for Definitive Notes; and
 - (b) otherwise, in whole, or in part, upon certification as to non-US beneficial ownership in the form set out in the Schedule to the Deed of Covenant or, if so provided in the relevant Final Terms, for permanent Global Notes.
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 paragraph 5 below, in part for Definitive Notes:
 - (a) on the expiry of such period of notice as may be specified in the Final Terms; or
 - (b) at any time, if so specified in the Final Terms; or
 - (c) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (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 in fact does so; or

- (2) if principal in respect of any Notes is not paid when due by the holder giving notice to the Issuer of its election for such exchange.

If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), the exchange upon notice/at any time options should not be expressed to be applicable in the relevant Final Terms.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. 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. The inability to obtain a definitive Note due to this minimum denomination requirement may mean that Bearer Notes may be considered to be registered for U.S. tax purposes.

3. **Unrestricted Global Certificates.** If the Final Terms state that the Notes are to be represented by an Unrestricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2.1 (*Transfer of Registered Notes*) may only be made in part:

- (a) if the relevant 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;
- (b) if principal in respect of any Notes is not paid when due; or
- (c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (a) or (b) above, the holder of Registered Notes (the "**Registered Holder**") has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer. Where the holding of Notes represented by a Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear, DTC and/or an Alternative Clearing System.

4. **Restricted Global Certificates.** If the Final Terms state that the Restricted Notes are to be represented by a Restricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, DTC or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by that Restricted Global Certificate pursuant to Condition 2.1 (*Transfer of Registered Notes*) may only be made in part:

- (a) if such Notes are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System (except for DTC) 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
- (b) if such Notes are held by or on behalf of DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a "clearing agency" registered

under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or

- (c) if principal in respect of any Note is not paid when due; or
- (d) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraphs (a), (b) and (c) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer. Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in "Transfer Restrictions". Where the holding of Notes represented by a Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear, DTC and/or an Alternative Clearing System.

5. **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 for Definitive Notes if principal in respect of any Notes is not paid when due.
6. **Delivery of Bearer Notes.** 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 Issuer. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (a) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery 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 (b) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Base 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 all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedule to the Deed of Covenant. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.
7. **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 failure to pay principal in respect of any Notes when due 30 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 Issuer is located and in the city in which the relevant clearing system is located.
8. **Legend.** In the case of Restricted Notes, each Restricted Global Certificate and each Certificate issued in exchange for a beneficial interest in a Restricted Global Certificate will bear a legend applicable to purchasers who purchase Restricted Notes as described under "Transfer Restrictions".

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

9. **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 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-US beneficial ownership in the form set out in the Deed of Covenant. If such presentation of certification as to non-US beneficial ownership is not made on or prior to the Exchange Date, then no payments in respect of Notes represented by a Global Note will be made until such certification is made. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement 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 Issuer. 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.

Payments of principal and interest on Notes represented by a Global Certificate shall be paid to the person shown on the Register at the Record Date. The "Record Date" in respect of any Notes which are represented by a Global Certificate is close of business in Euroclear, Clearstream Luxembourg or DTC, as the case may be on the Clearing System Business Day before the due date for such payment, where "Clearing System Business Day" means a day on which Euroclear, Clearstream Luxembourg or DTC (as applicable) is open for business.

Payments through DTC: Registered Notes which are issued in the form of one or more Restricted Global Certificates may be registered in the name of, or in the name of a nominee for, DTC. Payments of principal and interest in respect of Registered Notes denominated in US dollars will be made in accordance with Condition 6.2 (*Registered Notes*). Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than US dollars will be made or procured to be made by the Issuer or the relevant agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the relevant agent with respect to Registered Notes held by DTC or DTC's nominee will be paid by the Issuer or will be received from the Issuer by the relevant agent who will make payments in such Specified Currency, by wire transfer of same day funds to, in the case of Notes registered in the name of DTC's nominee, to such nominee, or otherwise to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, prior to the third Clearing System Business Day before the Record Date for the relevant payment of interest and, in the case of payments or principal, at least 12 Clearing System Business Days prior to the relevant payment date, to receive that payment in such Specified Currency. The Issuer or the relevant agent will deliver such US dollar amount in same day funds to DTC's nominee for payment through the DTC settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency.

10. **Prescription.** Claims against the Issuer 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 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Conditions).
11. **Meetings.** The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)
12. **Cancellation.** Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

13. **Purchase.** Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.
14. **Issuer's Option.** Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note or Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial 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 Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).
15. **Noteholders' Options.** Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note or Global Certificate may be exercised by the holder of the permanent Global Note or Global Certificate giving notice to the Issuer within the time limits relating to the deposit of Notes or Certificates with the Issuer set out in the Conditions substantially in the form of the notice available from the Issuer, 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 or Certificates in respect of which the option is exercised and at the same time presenting the permanent Global Note or Global Certificate to the Issuer for notation.
16. **Events of Default.** Each Global Note and Global Certificate provides that the holder may cause such Global Note and Global Certificate, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Issuer the nominal amount of such Global Note or Global Certificate (as applicable) that is 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 Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed by the Issuer on or about 21 May 2015 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes represented by a Global Certificate 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 to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global 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.
17. **Notices.** So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global 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 entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

CLEARING AND SETTLEMENT

Book-Entry Ownership

Bearer Notes

Bearer Notes have been accepted for clearance through the Euroclear and/or Clearstream, Luxembourg book entry systems. 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 depositary for Euroclear and/or Clearstream, Luxembourg or an Alternative Clearing System. 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 Euroclear and Clearstream, Luxembourg or, if appropriate, the Alternative Clearing System. Each Global Note deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg will have an ISIN and a Common Code.

Registered Notes

Registered Notes have been accepted for clearance through the Euroclear and/or Clearstream, Luxembourg book-entry systems, with such Notes to be represented by an Unrestricted Global Certificate or (in the case of Restricted Notes) a Restricted Global Certificate. Each Unrestricted Global Certificate or (in the case of Restricted Notes) Restricted Global Certificate deposited with a nominee for Euroclear and/or Clearstream, Luxembourg will have an ISIN and a Common Code.

The Issuer and a relevant US agent appointed for such purpose that is an eligible DTC participant may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Restricted Global Certificate. Each such Restricted Global Certificate will have a CUSIP number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out in "Transfer Restrictions". In certain circumstances, as described below in "Transfers of Registered Notes" and as described in the Deed of Covenant, transfers of interests in a Restricted Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the custodian, with whom the Restricted Global Certificates are deposited (the "**Custodian**"), and DTC will electronically record the nominal amount of the Restricted Notes held within the DTC system. Investors in Notes of such Tranche may hold their beneficial interests in an Unrestricted Global Certificate only through Euroclear or Clearstream, Luxembourg. Investors may hold their beneficial interests in a Restricted Global Certificate directly through DTC if they are participants in the DTC system or indirectly through organisations which are participants in such system.

Payments of the principal of and interest on each Restricted Global Certificate registered in the name of DTC's nominee will be made, if denominated in US dollars, in accordance with Conditions 6.2(a) (*Registered Notes*) and 6.2(b) (*Registered Notes*), and if denominated in a Specified Currency other than US dollars, will be made or procured to be made to or to the order of its nominee as the registered owner of such Restricted Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants to be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer or the relevant agents appointed by the Issuer for these purposes will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Restricted Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or (in the case of Restricted Notes) a Restricted Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Final Terms, and, in the case of Notes initially represented by a Restricted Global Certificate,

in amounts of at least U.S.\$100,000 (or its equivalent rounded upwards), or higher integral multiples of U.S.\$1,000, in certain limited circumstances.

Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear, Clearstream, Luxembourg and DTC 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 Restricted Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Certificate may only be held through Euroclear or Clearstream, Luxembourg. In the case of Registered Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through the Restricted Global Certificate for the same Series of Notes **provided that** any such transfer made on or prior to 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by the Registrar or the relevant agent of a written certificate from the transferor, to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A in accordance with any applicable securities law of any State of the United States or any other jurisdiction. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Unrestricted Global Certificate to the relevant agent of details of that account at either Euroclear or Clearstream, Luxembourg or DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to the Registrar or the relevant agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and in "Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the relevant agent.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Custodian, the Registrar and the relevant agent receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free of delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "*Transfer Restrictions*".

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described herein, DTC will surrender the relevant Restricted

Global Certificates for exchange for individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the US Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. The Issuer will not have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream, Luxembourg or DTC.

Individual Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Euroclear and Clearstream, Luxembourg or for DTC will be permitted only (i) in the case of Restricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form - Exchange - Restricted Global Certificates" or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form - Exchange - Unrestricted Global Certificates". In such circumstances, the Issuer 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 Certificate must provide the Registrar with:

- (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and
- (b) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made to a qualified institutional buyer in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (b) shall bear the legends applicable to transfers pursuant to Rule 144A.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by the Issuer for its general funding purposes.

BUSINESS DESCRIPTION OF ICBC STANDARD BANK PLC

Overview

Industrial and Commercial Bank of China Limited ("**ICBC**"), formerly known as Industrial and Commercial Bank of China, was established on 1 January 1984. On 28 October 2005, ICBC was wholly restructured to a joint-stock limited company. On 27 October 2006, ICBC was listed on both the Shanghai and Hong Kong stock exchanges.

On 8 November 2013, Standard Bank Group Limited ("**SBGL**") announced its intention to sell a majority interest in the Issuer, the principal entity which housed the Global Markets business of SBGL outside Africa. On 29 January 2014, Standard Bank London Holdings Limited ("**SBLH**"), a wholly owned subsidiary of SBGL, entered into a sale and purchase agreement in terms of which ICBC agreed to acquire a controlling interest of 60 per cent. in SBGL's London based Global Markets business, focusing on commodities, fixed income, currencies, credit and equities products. The transaction completed on 1 February 2015 and the company name was changed to ICBC Standard Bank Plc on 27 March 2015.

ICBC has also been granted a five-year option to purchase from SBLH a further 20 per cent. of the outstanding ordinary shares of the Issuer for cash, which is exercisable from the second anniversary of completion. Subject to ICBC exercising such option, SBLH will have a five-year option to require ICBC to acquire its residual shareholding for cash.

The completion of the transaction required a number of restructuring steps to be undertaken to reconstitute the group to include subsidiaries and operations in the United States and Singapore. The New York-based subsidiaries were acquired by the Issuer on 31 July 2014 and the Singapore based operations were transferred to the company's Singapore branch with effect from 1 August 2014. The shares owned by SBLH in Standard NY Holdings, Inc. (and indirectly in Standard New York Securities Inc. and Standard Americas Inc.) have been transferred to the Issuer, so as to retain the global markets booking capabilities that these affiliates provide to the Issuer. The Issuer has transferred the global markets operations of Standard Merchant Bank (Asia) Limited to the Issuer's Singapore branch. In addition, the Issuer has also effected the closure of certain non-strategic representative offices.

All activities that were previously performed by the group which do not form part of the Global Markets business were removed from the group on, or before, 31 December 2014. These activities included Investment Banking, Transactional Products and Services, Principal Investment Management, PBB International and the Services Unit, which provided key skills and services to the SBG (together, the "**Excluded Business**").

Standard Bank Group, SBLH, the Issuer and ICBC have also entered into a number of other ancillary agreements, including a shareholders' agreement and a services agreement. The shareholders' agreement contains, inter alia, provisions regarding governance, funding and capital arrangements for the Issuer following completion.

The Issuer is a bank Authorised by the Prudential Regulation Authority and Regulated by the Financial Conduct Authority and Prudential Regulation Authority. As at 31 December 2014, the Issuer's business segments comprised of: Global Markets, Investment Banking, Transactional Products, Service Unit, Principal Investment Management (PIM) and Private Client Services (PCS). The Issuer's business segments have, for the purposes of this Prospectus and the Issuer's financial statements for the year ended 31 December 2014, been separated into those Continuing Operations that will continue following completion of its acquisition by ICBC, and those Discontinued Operations which will remain with the Standard Bank Group.

Continuing operations

- **Global Markets Division.** The Global Markets division is the Issuer's primary revenue generator and transacts customer-driven, market-making and sales activities across the full spectrum of traded financial and commodity risk. The division seeks to originate exposures directly from clients or market-making activities, which are repackaged and traded with market participants, asset managers and other clients through the group's distribution network. A comprehensive range of foreign exchange, money markets, interest rate, credit, equity and commodity products are provided, ranging from simple risk management tools to structured products. The division's

expertise extends to the management and financing of physical commodity inventories across base and precious metals, in addition to the provision of foreign exchange and access to products for all major African, Asian, Central and Eastern European, Middle Eastern, Central Asian (CEEMECA) and Latin American currencies.

Looking ahead, the partnership between ICBC and Standard Bank will expand the strategic emphasis of the Global Markets division to serve the increasing demands for commodities, hedging and capital market capabilities from a growing Chinese economy. The division will utilise its established infrastructure platform, mature business model and industrial expertise to serve ICBC and Standard Bank's clients' needs in global commodities, fixed income, currency, interest rate, credit and equity products.

Discontinued operations

- **Investment Banking Division.** The division provided a full suite of advisory and financing solutions to clients, both cross-border and domestically within its core countries and sectors.
- **Transactional Products and Services division.** The Transactional Products and Services ("TPS") division provided products and services for clients' short-term working capital needs and constituted of cash, trade and investor services.
- **Service Unit.** SBGL previously undertook a programme of globalisation of enablement functions, with the objective to utilise centres of excellence and achieve cost efficiencies through synergies. A Service Unit was created within the Issuer to house these support and business costs which were recovered from other entities in SBGL under appropriate transfer pricing arrangements.
- **Principal Investment Management (PIM) and Private Client Services (PCS).** The PIM and PCS business units were discontinued during the course of 2010 through resolution by the Board. No further investments were made in these businesses and focus remains on selling down positions, collections and collateral sales.

The Issuer benefits from a network of offices located in the major international financial centres as well as in key developing economies. In addition to its London headquarters, the Issuer has branches in Hong Kong, Singapore, the United Arab Emirates (Dubai International Financial Centre), a non-banking branch in Japan (Tokyo) and subsidiaries in New York and China (Shanghai).

The following table sets forth the Issuer's net income, profit for the period, total assets and qualifying regulatory capital as at and for the periods indicated.

	As at and for the year ended 31 December 2013	As at and for the year ended 31 December 2014
	<i>(U.S.\$ millions)</i>	
Total income/(loss)	216.7	(13.7)
Loss for the period	(12.1)	(344.6)
Loss from continuing operations	(39.8)	(337.8)
Profit / (loss) from discontinued operations.....	27.7	(6.8)
Total assets	18,579.0	19,605.4
Qualifying regulatory capital resources.....	1,865.9	1,579.2

History

The Issuer established its London office in 1992 as Standard Bank London Ltd, serving as the base for the Standard Bank Group's operations outside Africa. In June 2005, the name was changed to Standard Bank Plc. In March 2015, the name was further changed to ICBC Standard Bank Plc. The Issuer is a bank authorised by the Prudential Regulation Authority and regulated by Financial Conduct Authority and Prudential Regulation Authority, providing a range of banking and related financial services. It is a member of the London Stock Exchange, the London Bullion Market Association, the London Metal Exchange and the London Platinum and Palladium Market. It has two seats on the New York Mercantile Exchange (Comex division).

Competition

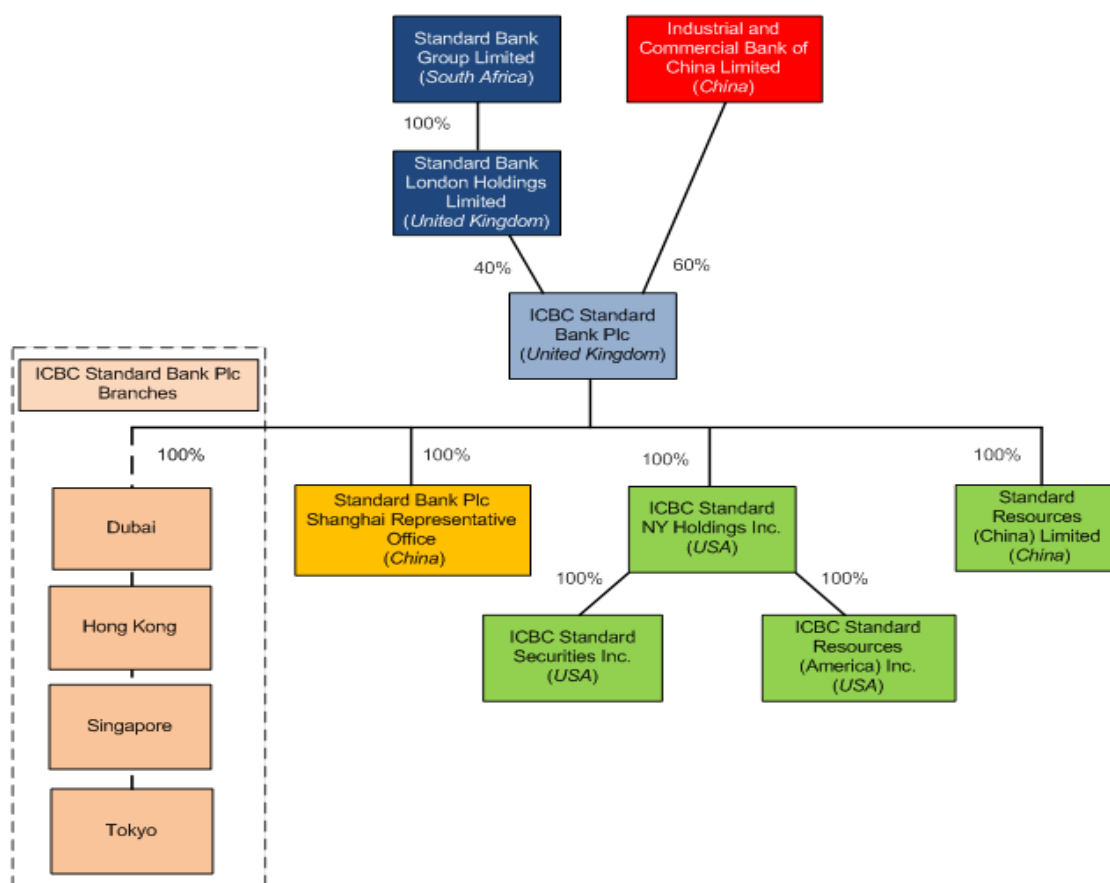
The financial services industry and the Issuer's principal business areas are subject to competition and the Issuer expects them to remain so. The Issuer's competitors vary according to business area and geographic region and include other brokers, investment banks, asset managers and commercial banks and range in size from the large global investment banking houses, traditional emerging market specialist banks to smaller local banks. The Issuer competes on the basis of a number of factors, including quality of transaction execution, quality of its products and services, extent of its products and services offering, innovation and reputation.

ICBC group profile

Industrial and Commercial Bank of China Limited, formerly known as Industrial and Commercial Bank of China, was established on 1 January 1984. On 28 October 2005, ICBC was wholly restructured to a joint-stock limited company. On 27 October 2006, ICBC was listed on both the Shanghai and Hong Kong stock exchanges. ICBC has a presence in six continents and its overseas network has expanded to 41 countries and regions.

ICBC provides a comprehensive suite of financial products and services to over 5 million corporate customers and over 460 million personal customers through its distribution channels. These channels consist of domestic institutions, overseas institutions and correspondent banks worldwide, as well as the E-banking network comprising a range of internet and telephone banking services and self-service banking centres. These form a diversified and international operating structure focusing on commercial banking business while maintaining a leading position in its domestic market.

The holding structure of the Issuer is set out in the following diagram:



The Issuer

The Issuer was incorporated for an unlimited duration on 11 May 1987 as a limited company in England and Wales under the Companies Act 1985 with registered number 2130447. In June 2005, the Issuer became a public limited company and changed its name from Standard Bank London Ltd. to Standard Bank Plc. In March 2015, the Issuer changed its name from Standard Bank Plc to ICBC Standard Bank Plc. The Issuer's registered office is at 20 Gresham Street, London EC2V 7JE, United Kingdom and the telephone number is +44 (0)20 3145 5000.

In August 2014 SBGL's operations in New York were transferred from SBLH to the Issuer. The three entities were 100 per cent. held by SBLH and the full shareholdings were transferred to the issuer. The following table sets forth the Issuer's subsidiaries, its field of activity and country of incorporation and the ownership interest of the Issuer in the subsidiaries.

Company	Activity	Country of incorporation	Ownership interest (%)
Standard Resources (China) Limited	Trading company	China	100.0
ICBC Standard NY Holdings Inc.	Holding company	USA	100.0
ICBC Standard Securities Inc.	Broker / dealer	USA	100.0
ICBC Standard Resources (America) Inc.	Trading company	USA	100.0

The Issuer has branches in Hong Kong, United Arab Emirates (Dubai International Financial Centre), Singapore, and a non-banking branch in Japan (Tokyo) and a representative office in China (Shanghai).

Statement of Support

SBGL's undertaking of support remained until 31 January 2015, at which time ICBC entered into arrangements in favour of the Issuer substantively similar to the SBGL support letter. ICBC issued the following statement of support on 1 February 2015, which has been applying since the completion of its acquisition of a 60 per cent. stake in the Issuer:

"We confirm Standard Bank Plc (the Issuer) is viewed as a long-term investment and is an integral part of our overall operational strategy. Our goal is to develop the Issuer into a major link in our international network, and therefore, we undertake to support its development and growth. ICBC hereby confirms that it intends to financially support the Issuer in ensuring that it meets all of its financial obligations and as they fall due, including the maintaining of a minimum capital adequacy level in ICBC Standard Bank Plc. Specifically, ICBC intends to provide funding and capital support to the Issuer and commits its intention to subscribe for certain 'qualifying instruments' as and when ICBC receives written notice from the Issuer that its capital and reserve funds amount to (or will foreseeably in the near term amount to) less than the minimum required amount of capital and reserve funds as determined in accordance with the rules and regulations of the Prudential Regulation Authority (or its successor)."

Business Areas

The Issuer's business areas include financing solutions across the debt and equity capital markets, and the Issuer has particular experience in commodity finance. The Issuer also provides a comprehensive range of trading and risk management solutions to clients in relation to foreign exchange, interest rates, credit, equities, commodities and money markets. The Issuer supports its divisions through its risk and capital management systems to ensure that products and services are delivered efficiently and effectively to the client and prudently use the Issuer's capital in doing so.

The following table breaks down the Issuer's total income by business unit:

	Year ended 31 December 2013		Year ended 31 December 2014	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
<i>Continuing Operations</i>	216.7	52.2	(13.7)	(7.8)
Global Markets	216.7	52.2	(13.7)	(7.8)
Other	—	—	—	—
<i>Discontinuing Operations</i>	198.5	47.8	189.0	107.8
Investment Banking	124.7	30.0	112.4	64.1
Transactional Products and Services	8.7	2.1	7.8	4.4

	Year ended 31 December 2013		Year ended 31 December 2014	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
Service Unit.....	83.2	20.0	79.4	45.3
PIM & PCS.....	(18.1)	(4.3)	(10.6)	(6.0)
Other.....	—	—	—	—
Total.....	415.2	100	175.3	100

Insurance

The Issuer believes that its business premises, including its property and equipment, are insured in a manner consistent with local market practices. The Issuer's insurance policies comprise, among others, third party liability provisions, property insurance and customary insurance policies, including accident and travel insurances, covering its employees. The Issuer also maintains Bankers Blanket Bond, Professional Indemnity and Directors' and Officers' liability insurance. The Issuer has not experienced any material disputes with its insurance companies in respect of insurance claims made by it.

Employees

The Issuer had 754 employees as at the end of March 2015.

The Issuer ensures that all employees and job applicants are given equal opportunities and that they do not face discrimination on the grounds of ethnic origin, colour, religion, sex or disability. Should an employee become disabled during his or her career with the Issuer, every effort is made to ensure continued employment, with appropriate retraining, if necessary. Employee involvement in the Issuer's business is encouraged and information is disseminated to employees through communication meetings and internal staff publications. The Issuer recognises its responsibilities to provide a safe working environment for all its staff and measures are in place to ensure that the Issuer's health and safety regulations are observed.

Employee Incentive Schemes

Since 2007 the Issuer has operated a deferred incentive arrangement in the form of the Quanto stock unit plan. Qualifying employees, with an incentive award above a set threshold are awarded Quanto stock units denominated in US\$ for nil consideration, the value of which moves in parallel to the change in price of the SBGL shares listed on the Johannesburg Stock Exchange. The cost of the award is accrued over the vesting period (generally three years), normally commencing the year in which these are awarded and communicated to employees. Awards prior to 2011 can be exercised within 10 years, 2011 awards can be exercised within the longest vesting period and current and future awards will be exercised on vesting. Units granted since 1 January 2012 do not allow for incremental payments to employees in service for 4 years.

Further information with respect to the Issuer's employee incentive schemes is included in note 27.9 of the Annual Financial Statements for the year ended 31 December 2013.

Legal Proceedings

From time to time, the Issuer is involved in litigation or receives claims arising from the conduct of its business which can require the Issuer to engage in legal and regulatory proceedings in order to enforce contractual rights.

The Issuer is in receipt of a claim from a former borrower under certain long term non-performing loan facilities for alleged overpayments of fees, interest and default interest. The facilities were repaid in September 2012. The amount of the claim has not been quantified by the claimant, but would appear to be in the region of U.S.\$5.0 million to U.S.\$50.0 million. The group believes it has robust defences to the claim asserted against it and intends to defend itself vigorously.

In late November 2014, the Issuer was advised that a purported class action lawsuit had been filed against it and three other institutions in the Southern District of New York for unquantified damages arising as a result of an alleged conspiracy to manipulate and rig the global benchmarks for physical platinum and palladium prices, as well as the prices of platinum and palladium based financial derivative products.

From time to time the group is the subject of various regulatory reviews, requests for information and investigations by various governmental and regulatory bodies related to the group's business operations. The group is co-operating with an ongoing investigation in relation to a historic debt capital markets transaction.

Whilst recognising the inherent difficulty of predicting the outcome of legal and regulatory proceedings, the Issuer believes, based upon current knowledge and after consulting with legal counsel, that these matters should not have a material adverse effect on the consolidated financial position of the Issuer.

RISK MANAGEMENT

Introduction

The effective management of risk within the stated risk appetite is fundamental to the Issuer's banking activities. The Issuer seeks to achieve a measured balance between risk and reward in its businesses and in this regard continues to build and enhance the risk management capabilities that assist in delivering growth plans in a controlled environment.

Risk management is at the core of the operating and management structures of the group. Managing and controlling risks, and in particular avoiding undue concentrations of exposure, limiting potential losses from stress events, restricting significant positions in less quantifiable risk areas and constraining profit or loss volatility are essential elements of the risk management and control framework which serve to protect the group's reputation and business franchise.

Overall responsibility for risk management within the group rests with the Board. Day-to-day responsibility is delegated to the Governance Committee and its sub-committees which review, inter alia, summaries of market, liquidity, credit, operational, country and regulatory risks. The Board of Directors delegates certain functions and responsibilities to the Board Audit Committee and the Board Risk Management Committee ("**BRMC**"). Accountability for risk management resides at all levels within the group, from the executive down through the organisation to each business manager and risk specialist.

The group has developed a set of policies for each major risk type to which it is exposed. The policies set out minimum control requirements and ensure alignment and consistency in the manner in which the major risk types across the group are dealt with, from identification to reporting. All policies are applied consistently across the group and are approved by the BRMC. It is the responsibility of executive management in each business line to ensure the implementation of risk policies. Supporting policies and procedures are implemented by the management team and independently monitored by the embedded risk resources. Compliance with risk standards is controlled through annual self-assessments and independent reviews by the group's risk management functions.

Risk appetite is an expression of the amount, type and tenure of risk the group is willing to take in pursuit of its financial and strategic objectives, reflecting the group's capacity to sustain losses and continue to meet its obligations as they fall due in a range of different stress conditions. The Board has developed a framework to articulate risk appetite throughout the group and to external stakeholders.

Country Risk

A credit risk committee approves country risk limits for all countries. A country-rating model and a sovereign rating model are used to determine country and sovereign ratings for every country. These limits and ratings are revised at least annually. As reflected in the table below, the largest country exposures are to obligors in the United Kingdom. The dominance of low risk countries in the Issuer's overall risk profile occurs naturally and is a consequence of the Issuer's management of its own liquidity, which is deployed in high quality liquid or bank assets, as well as to the Issuer's asset distribution and risk mitigation policies, where the majority of client risks are distributed to or hedged with Western counterparts.

The following table shows the percentage composition of the Issuer's loans and advances by region:

	31 December 2013	31 December 2014
	(%)	
United Kingdom	26.1	45.4
Eurozone	10.2	12.1
Rest of Europe	23.7	12.0
Asia-Pacific	12.3	6.8
Sub-Saharan Africa	11.6	8.1
North America	4.4	5.5
Latin America	8.1	8.2
Middle East & North Africa	3.6	1.9
	100	100

Credit Risk

A formal structure exists for the approval of credit limits which are agreed under a delegated authority framework, which is based on internal credit rating and risk amount. The credit committee is responsible for approval of all credit and country risk that falls under delegated authority levels 1 and 2 which by definition are the more material limits and/or riskier ratings. Functionally, the credit committee reports to the risk management committee, which acts as the oversight body on a monthly basis.

The Issuer's policy concerning the extension of credit aims to make efficient use of its capital resources. Lending and credit limit decisions are based on an analysis of the creditworthiness of each potential borrower, which takes into account both the counterparty specific risk and the extent to which collateral or other forms of credit support are available. The Issuer operates a formal risk rating system which is used for portfolio analysis, risk adjusted return on capital analysis, economic capital measurement and establishing the limits of credit delegated authority. Economic capital, incurred and expected losses as well as unexpected losses are monitored using internally developed models.

The Issuer aggregates credit risk of all types in managing its portfolio risks, principally comprising primary, pre settlement and issuer risk. The Issuer's methodology for measuring and monitoring credit risk reflects the Issuer's assessment of the relative volatility, liquidity and peak potential exposure of both the Issuer's own financial assets and those held as collateral.

Recognising that many of the risks to which the Issuer is exposed are not the subject of a formal external credit rating, the Issuer has expressed its internal rating of these risks by reference to its calculation of an equivalent Standard and Poor's foreign currency long term debt rating, illustrated in the table below:

Group master rating scale	Moody's Investor Services	Standard & Poors	Fitch	Grading	Credit quality
1 - 4	Aaa to Aa3	AAA to AA-	AAA to AA-	Investment grade	Normal monitoring
5 - 7	A1 to A3	A+ to A-	A+ to A-		
8 - 12	Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-		
13 - 21	Ba1 to B3	BB+ to B-	BB+ to B-	Sub-investment grade	Close monitoring
22 - 25	Ca1 to Ca	CCC+ to CCC-	CCC+ to CCC-		
Default	C	D	D	Default	Default

The following table sets out the percentage composition of the Issuer's weighted credit risk of loans and advances on the basis of its internal rating as at 31 December 2014 and 31 December 2013.

	31 December 2013	31 December 2014
	(%)	
Normal monitoring	98.4	97.7
Close monitoring	0.1	2.2
Past due but not impaired.....	0.4	-
Impaired.....	1.1	0.1
	100	100

Market Risk

The Issuer's main market risks relate to credit spread risk, interest rate, currency and commodity price risk and volatility risk. In addition, liquidity is recognised as a key risk in a number of markets and the Issuer has an integrated approach to risk measurement that combines liquidity, market and credit risks.

The Issuer utilises measurement methodologies to assess market risk, in line with market practice. Value at Risk is used in the trading areas, supplemented by traditional risk management techniques such as cash

portfolio limits and limits on option parameters, interest rate gaps, basis point values and limits on various stress tests. These risk measures are supported by further stress testing and scenario analysis. Risks are measured, monitored and controlled by independent processes and risk limits are overseen by the Market Risk Department and reported to the Risk Management Committee.

Operational Risk

The Issuer has established an operational risk management framework which ensures that an integrated and effective risk management approach is applied consistently across its activities. This framework facilitates the identification and assessment of risks, the control of those risks and the ongoing monitoring and reporting of the operational risk profile and incident experience.

The prime responsibility for the management of operational risks is embedded within the day to day business management of the Issuer's operations.

An independent Operational Risk Department performs central control and oversight, including the setting of appropriate policies and the provision of standard operational risk management tools. These tools provide the basis for performing risk identification and self-assessment programmes in each business unit, analysing key risk indicators, tracking operational incidents and undertaking root cause analysis. The operational risk profile is reported to the Operational Risk Committee.

The adequacy of the systems and controls are reviewed by Internal Audit. The Internal Audit unit is independent of line management and reports directly to the Board Audit Committee.

Compliance and Legal Risk

The Compliance department oversees the regulatory environment in which the Issuer operates. Monitoring and other programmes are performed to assess compliance with prescribed policies and procedures which are established internally in response to the current legal and regulatory environment.

Legal risk is managed through a combination of internal legal counsel, external legal advisers and through use of standardised or customised legal documentation (depending upon the relevant transaction) and internal documentation policies.

Information Systems

The Issuer places significant emphasis on the appropriateness and quality of its information systems and on the use of information technology in monitoring and managing the Issuer's business activities and risks. The Issuer's strategic approach to software has been to utilise package solutions purchased from major international software vendors. The packages have been integrated across the organisation by using application middleware and various updating projects are taking place.

The Issuer has a business recovery plan which is tested annually.

Accounting Policies

The Issuer has prepared its company and consolidated annual financial statements for the year ended 31 December 2014 under International Financial Reporting Standards ("**IFRS**") as adopted by the European Union and the interpretations of the International Financial Reporting Interpretations Committee. The accounting policies are consistent with those adopted in the previous year except for the following amendments to IFRS and interpretations:

- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities IAS 32)
- Annual improvements 2012 – 2014 cycle (excluding the amendments relating to IFRS 7 Financial instruments: Disclosure – Servicing Contracts) (2014 amendment)

The revised IFRS did not have any effect on the Issuer's reported earnings or consolidated financial statement position but have affected the Issuer's disclosures with no material impact on the Issuer's accounting policies.

Composition of Assets

Trading Assets

As at 31 December 2014, the Issuer's total trading assets amounted to U.S.\$4,125.1 million (31 December 2013: U.S.\$5,846.6 million). The trading portfolio comprises government, utility and corporate bonds classified as held for trading purposes, which amounted to U.S.\$1,912.0 million as at 31 December 2014 (31 December 2013: U.S.\$2,782.5 million). As at 31 December 2014, the Issuer also held U.S.\$1,429.6 million in commodity stocks (31 December 2013: U.S.\$1,448.8 million), U.S.\$44.8 million in equities (31 December 2013: U.S.\$64.0 million), and U.S.\$202.8 million in other unlisted instruments (31 December 2013: U.S.\$103.0 million).

Derivative Assets

In the normal course of business, the Issuer enters into a variety of derivative transactions for both trading and hedging purposes. Derivative instruments used by the Issuer in both trading and hedging activities include swaps, options, forwards, futures, and other similar types of instruments based on foreign exchange rates, interest rates, credit risk and the prices of commodities and equities.

The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

The fair value of all derivatives is recognised on the balance sheet and is only netted to the extent that a legal right of set off exists and there is an intention to settle on a net basis.

As at 31 December 2014, the fair value of the Issuer's derivative assets amounted to U.S.\$8,225.6 million (31 December 2013: U.S.\$4,071.1 million) and the fair value of its derivative liabilities amounted to U.S.\$8,166.8 million (31 December 2013: U.S.\$4,049.8 million).

Further information on the Issuer's derivative instruments as at 31 December 2014 and 31 December 2013 is set out in note 4 to the Issuer's financial statements for the year ended 31 December 2014.

Lending

Loan Portfolio

As at 31 December 2014, the Issuer's aggregate loan portfolio amounted to U.S.\$4,462.8 million (31 December 2013: U.S.\$5,778.4 million).

The following table shows the breakdown of the Issuer's aggregate loan portfolio by nature of loan as at 31 December 2014 and 31 December 2013:

	As at 31 December 2013	As at 31 December 2014
	<i>(U.S.\$ millions)</i>	
Loans and advances to customers	1,221.2	972.7
Loans and advances to banks	1,057.7	1,355.2
Loans granted under purchase and resale agreements to banks and customers	3,526.3	2,147.2
Credit impairment	(26.8)	(12.3)
Total.....	5,778.4	4,462.8

The Issuer's deposits with banks and non-bank financial institutions are disclosed as part of loans and advances, in accordance with IFRS 7 Financial Instruments: Disclosures, even though such deposits represent the short term placement by the Issuer of its excess liquidity.

The following table shows the breakdown of the Issuer's aggregate loan portfolio by industry sector as at 31 December 2014 and 31 December 2013:

	As at 31 December 2013		As at 31 December 2014	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
Finance - Banks	3,014.4	52	2,703.1	60
Finance – Non Bank Financial Institutions	2,252.6	39	1,449.5	32
Manufacturing.....	128.6	2	71.4	2
Mining	94.8	2	97.6	2
Transport.....	2.5	—	20.5	1
Wholesale	219.8	4	113.9	3
Other.....	27.2	—	19.1	—
Total.....	5,805.2	100	4,475.1	100

The following table shows the breakdown of the Issuer's aggregate loan portfolio by the remaining periods to contractual maturity as at 31 December 2014 and 31 December 2013:

	As at 31 December 2013		As at 31 December 2014	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
Redeemable on demand	1,970.1	34	2,010.1	45
Maturing within one month.....	3,288.4	56	1,986.9	44
Maturing after one month but within six months	276.2	5	364.5	8
Maturing within 6 and 12 months	150.7	3	44.5	1
Maturing after 12 months	119.8	2	69.1	2
Total.....	5,805.2	100	4,475.1	100

Bad Debts and Provisions

The Issuer has a policy of impairing assets, in accordance with International Financial Reporting Standards, for losses on its banking portfolio and a conservative valuation approach to its trading portfolio. Impairments of performing and non-performing loans are made for credit exposures whilst valuation provisions for spread, uncertainty and liquidity are maintained against assets held within the trading books.

The Issuer identifies impaired doubtful debts during periodic evaluations of advances. The impairment to non-performing loans takes account of past loss experience adjusted for changes in economic conditions and the nature and level of risk exposure since the recording of the historic losses. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. Corporate loans are analysed on a case by case basis taking into account breaches of key loan conditions in assessing whether loans are non-performing. Impairment of performing loans can only be accounted for if there is objective evidence that a loss event has occurred after the initial recognition of the financial asset but before the reporting date. In order to provide for latent losses in a portfolio of loans that have not yet been individually identified as impaired, a credit impairment for incurred but not reported losses is created. The Issuer uses statistical modelling of historical trends of the probability of default and the emergence period of losses, adjusted for management's judgement as to whether current economic or credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling.

Funding Sources

The Issuer maintains a high level of liquidity, both in terms of the Issuer's own funding base and in managing the asset side of its balance sheet. As at 31 December 2013, the Issuer's aggregate funding amounted to U.S.\$8,309.1 million (U.S.\$10,230.3 million as at 31 December 2013).

The following table shows the breakdown of the Issuer's aggregate funding, by source of funds, as at 31 December 2014 and 31 December 2013:

	As at 31 December 2013		As at 31 December 2014	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
Deposits from banks	6,881.8	68	5,965.4	72
Call and term deposits from customers	2,375.6	23	2,162.3	26
Customer deposits received under repurchase agreements	253.0	2	19.4	1
Negotiable certificates of deposit	5.3	—	—	—
Deposits from banks under repurchase agreements	426.9	4	5.1	—
Commercial paper	287.7	3	156.9	1
	10,230.3	100	8,309.1	100

Deposits include, amongst other items, cash and metal placements from banks and central banks, and deposits received from other Standard Bank Group undertakings.

The table below shows the breakdown of the Issuer's funding by remaining periods to contractual maturity as at 31 December 2014 and 31 December 2013.

	As at 31 December 2013		As at 31 December 2014	
	(U.S.\$ millions)	(%)	(U.S.\$ millions)	(%)
Redeemable on demand	2,997.5	29	3,107.0	37
Maturing within one month	5,165.2	50	2,447.7	30
Maturing after one month but within six months	1,615.6	16	2,386.4	29
Maturing within 6 and 12 months	154.7	2	196.7	2
Maturing after 12 months	297.3	3	171.3	2
	10,230.3	100	8,309.1	100

Capital Adequacy

The following table sets out an analysis of the capital adequacy of the Issuer as at 31 December 2014 and 31 December 2013:

	As at 31 December 2013	As at 31 December 2014
	(U.S.\$ millions)	
Tier 1 Capital		
Share capital	1,083.5	1,083.5
Share premium	431.0	431.0
Qualifying reserves	(152.7)	(499.7)
Less: Regulatory deductions	(60.7)	(58.5)
Total Core Tier 1 Capital	1,301.1	956.3
Tier 2 Capital		
Credit impairments against performing loans	10.0	7.0
Subordinated debt instruments	657.8	630.2
Less: Regulatory deductions	—	(14.3)
Total Tier 2 Capital	667.8	622.9
Less deductions from Tier 1 and Tier 2	(101.6)	—
Total qualifying Tier 1 and Tier 2 Capital	1,867.3	1,579.2
Total Tier 3 Capital	—	—
Less deductions for total capital	(1.4)	—
Total Tier 1, Tier 2 and Tier 3 Capital	1,865.9	1,579.2
Total risk weighted assets	8,608.9	7,741.3
Core tier 1 capital to risk weighted assets	15.1%	12.4%
Total capital to risk weighted assets	21.7%	20.4%

MANAGEMENT

Board of Directors

The current members of the Board of Directors of the Issuer are as follows:

Name	Title
M E Austen.....	Independent non-executive director
D P H Burgess	Independent non-executive director
C J Sheridan.....	Independent non-executive director
H E Staunton.....	Independent non-executive director
P Chen	Appointed as a non-executive director on 1 February 2015
Q Hou	Appointed as a non-executive director on 1 February 2015
D Munro	Appointed as a non-executive director on 1 February 2015
M van der Spuy.....	Appointed as a chief executive and an executive director on 17 November 2014
S Wang	Appointed as an executive director on 1 February 2015
J Xu.....	Appointed as president and an executive director on 1 February 2015
J Zheng	Appointed as a non-executive director on 10 February 2015
B J Kruger.....	Resigned as chairman on 1 February 2015, continues as a non-executive director

While overall responsibility for the management of the Issuer rests with the Board of Directors, day to day responsibility is delegated to the Executive Committee of the Issuer and its sub-committees.

The business address of the members of the Board of Directors is 20 Gresham Street, London EC2V 7JE, United Kingdom. None of the Directors holds any beneficial interest in the ordinary share capital of the Issuer.

The Issuer is not aware of any potential conflicts of interest between the duties to the Issuer of the persons listed above and their private interests or duties.

Committees

The Board delegates certain functions and responsibilities to the following committees:

Governance Committee

This committee is responsible for the day-to-day management of the group. Subject to the overall authority of the Board, the committee meets regularly, to develop business strategy, initiate and review strategic initiatives, review and approve annual business plans, monitor financial performance against budget, monitor risk and all matters related to regulatory responsibilities and review the activities of its sub-committees.

The major sub-committees, supporting the governance committee in fulfilling its responsibilities, are the capital management committee, the risk management committee, regulatory compliance committee, client risk management committee and the integration and change committee.

Board Audit Committee

This non-executive board committee monitors the process for identifying, evaluating and managing risks and controls. In particular, this includes the quality, integrity and reliability of compliance, financial and accounting control systems. The committee's other responsibilities are to review the scope of external and internal audit, to receive regular reports from internal audit and KPMG LLP, and to review the financial statements focusing in particular on accounting policies, areas of management judgement and estimates. The committee meets quarterly.

Board Risk Management Committee

The objective of this board committee is to provide an independent review and challenge to the group's risk policies and the composition of the risk portfolio, its concentrations and the risk-taking decisions of the group, covering all aspects of risk - market, credit, country, liquidity and operational. The committee complements the audit committee which also studies, inter alia, risk controls and their operation, but from a different perspective. The committee meets quarterly.

Board Remuneration Committee

This non-executive committee approves remuneration policy and long term incentive schemes for staff, sets the remuneration of executive directors and other senior executives and approves guidelines for the group's annual salary and incentive reviews.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth, on an IFRS basis, the Issuer's consolidated capitalisation as of 31 December 2014 and 31 December 2013. This information should be read together with the Issuer's audited consolidated financial statements, which are incorporated by reference.

	31 December 2013	31 December 2014
	<i>(U.S.\$ millions)</i>	
Deposits and current accounts ⁽¹⁾	297.3	171.3
Subordinated debt	709.8	684.8
Less: Accrued interest	8.2	8.2
Net subordinated debt	701.6	676.6
Ordinary share capital	1083.5	1083.5
Ordinary share premium	431.0	431.0
Reserves	(126.0)	(499.4)
Equity attributable to ordinary shareholders	1,388.5	1,015.1
Total	<u>2,387.4</u>	<u>1,863.0</u>

Note:

⁽¹⁾ Deposits and current accounts maturing after more than one year.

SELECTED FINANCIAL INFORMATION RELATING TO ICBC STANDARD BANK PLC

The following tables set out in summary form the balance sheet and income statement information relating to the Issuer. Such information is derived from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2014 and 31 December 2013. The Issuer's financial statements included in this Base Prospectus have been presented in accordance with International Financial Reporting Standards. Such financial statements, together with the reports of the Issuer's auditors KPMG LLP, independent auditors ("KPMG") and the accompanying notes, are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

The consolidated financial statements should not be viewed as a likely indicator of future financial performance. See "Risk Factors".

Summary Consolidated Income Statement

	For the years ended 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Net interest income	0.6	5.5
Interest income.....	68.3	50.7
Interest expense	(67.7)	(45.2)
Non-interest revenue/(loss)	216.1	(19.2)
Net fees and commission	(26.0)	(27.7)
Fees and commission revenue.....	—	5.6
Fees and commission expenses	(3.4)	(2.1)
Revenue sharing and fee arrangements with group companies	(22.6)	(31.2)
Trading revenue	242.1	155.1
Valuation loss on commodity reverse repurchase agreements	—	(147.1)
Other revenue.....	—	0.5
Total revenue/(loss)	216.7	(13.7)
Credit impairment charges	(6.3)	(4.5)
(Loss)/Revenue after impairments	210.4	(18.2)
Operating expenses	(246.0)	(315.3)
Staff costs	(136.8)	(176.4)
Other operating expenses	(103.1)	(135.9)
Indirect tax	(6.1)	(3.0)
Loss before taxation	(35.6)	(333.5)
Income tax credit/(charge)	(4.2)	(4.3)
Loss for the year from continuing operations	(39.8)	(337.8)
Discontinued operations.....	27.7	(6.8)
Loss attributable to equity shareholders	(12.1)	(344.6)

Summary Consolidated Balance Sheet

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Assets		
Balances with central banks	1,343.8	1,432.9
Derivative assets	4,071.1	8,225.6
Trading assets	5,846.6	4,125.1
Financial investments.....	2.8	16.8
Pledged assets	623.3	1,056.5
Assets held for sale to group companies	484.6	—
Loans and advances to banks	3,013.9	2,697.8
Loans and advances to customers	2,764.5	1,765.0
Other assets.....	352.6	220.1
Deferred tax asset.....	20.7	24.7
Intangible assets.....	32.3	11.7

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Property and equipment	22.8	29.2
Total assets	18,579.0	19,605.4
Liabilities and equity		
Liabilities	17,190.5	18,590.3
Derivative liabilities	4,049.8	8,166.8
Trading liabilities	1,713.0	1,154.2
Deposits from banks	7,596.4	6,127.4
Deposits from customers	2,633.9	2,181.7
Other liabilities	479.4	269.4
Current tax liability	8.2	6.0
Subordinated debt	709.8	684.8
Equity	1,388.5	1,015.1
Equity attributable to ordinary shareholders	1,388.5	1,374.6
Ordinary share capital	1,083.5	1,083.5
Ordinary share premium	431.0	431.0
Reserves	(126.0)	(499.4)
Total liabilities and equity	18,579.0	19,605.4

Other Financial Data

	For the years ended 31 December	
	2013	2014
Operating ratios		
Return on average assets	(0.07)%	(109)%
Return on average equity	(0.9)%	(26.7)%
Capital Ratios		
Tier 1 ratio	15.1%	12.4%
Total capital adequacy ratio	21.7%	20.4%
Asset quality ratios		
Credit impairment provisions (U.S.\$ millions)	26.8	(12.3)

RELATED PARTY TRANSACTIONS

The following table sets out the Issuer's deposits and current accounts from related parties as at and for the years ended 31 December:

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Deposits and current accounts.....	4,007.6	2,551.7
Total.....	4,007.6	2,551.7
Minimum amount during the year.....	2,998.9	2,410.2
Maximum amount during the year	4,325.4	4,228.7

The Issuer also advances funds to other group entities, as part of normal activity. The following table sets out the Issuer's amounts due from related parties as at and for the years ended 31 December:

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Loans and advances to banks	37.0	10.8
Loans granted under resale agreements.....	86.1	56.7
Loans and advances to customers	105.0	90.3
Total.....	228.1	157.8
Minimum amount during the year.....	191.7	157.8
Maximum amount during the year	454.4	301.6

The Issuer also has other asset and liability balances with other entities forming part of the Standard Bank Group.

The following table sets out the Issuer's derivative assets and liabilities with related parties as at 31 December:

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Net fair value	14.7	117.5
Fair value of assets.....	326.3	390.3
Fair value of liabilities	(311.6)	(272.8)

The following table sets out the Issuer's other assets (comprising unsettled dealing balances and other receivables) owed to the Issuer by related parties as at and for the years ended 31 December:

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Other assets.....	47.8	53.0
Minimum amount during the year.....	40.4	53.0
Maximum amount during the year	325.5	162.3

The following table sets out the Issuer's trading liabilities (comprising government and utility bonds, corporate bonds, equities and other unlisted instruments) with related parties for the years ended 31 December:

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Trading liabilities.....	—	14.6
Minimum amount during the year.....	—	—
Maximum amount during the year	1,161.2	14.6

The following table sets out the Issuer's other liabilities (comprising unsettled dealing balances and other liabilities) owed by the Issuer to related parties as at and for the years ended 31 December:

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Other liabilities	54.5	24.6
Minimum amount during the year	54.5	24.6
Maximum amount during the year	267.0	358.6

The following table sets out the Issuer's subordinated debt held by related parties as at and for the years ended 31 December:

	As at 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Subordinated debt	—	—
Minimum amount during the year	—	—
Maximum amount during the year	303.2	—

The following table sets out income statement amounts arising from transactions with related parties for the years ended 31 December:

	Year ended 31 December	
	2013	2014
	<i>(U.S.\$ millions)</i>	
Interest income	4.1	1.7
Interest expense	(49.9)	(30.2)
Net fee and commissions	167.3	173.6

TAXATION

The following are summaries based on the laws and practices currently in force in the United Kingdom, Ireland, Austria and the United States of America (respectively) regarding certain aspects of the taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes and are based on the current law and practice in each of those countries (respectively). The comments relate only to the position of persons who are absolute beneficial owners of the Notes and may not apply to certain classes of taxpayers holding Notes. The summaries do not constitute taxation or legal advice and the comments below are of a general nature only. Noteholders or Couponholders, particularly those who may be liable to taxation in jurisdictions other than Ireland, the United Kingdom, Austria or the United States of America in respect of their acquisition, holding or disposal of the Notes are advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain Irish, United Kingdom, Austrian and United States taxation aspects of payments in respect of the Notes. In particular, Noteholders or Couponholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments made in respect of the Notes. Noteholders or Couponholders who are in any doubt as to their tax position should consult their professional advisers.

United Kingdom taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. The comments do not deal with any other United Kingdom tax aspects of acquiring, holding or disposing of Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution.

UK withholding tax on UK source interest

Interest on Notes may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax for so long as they constitute "quoted Eurobonds". Notes which carry a right to interest and are and continue to be listed on a recognised stock exchange within the meaning of section 1005 Income Tax Act 2007 should constitute "quoted Eurobonds". Her Majesty's Revenue and Customs ("HMRC") may designate certain exchanges as recognised stock exchanges. The Irish Stock Exchange is a recognised stock exchange for these purposes. The Issuer's understanding of current HMRC practice is that Notes will be treated as listed on a recognised stock exchange provided they are admitted to trading on the main market of that exchange and are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA States. The Vienna Stock Exchange is also a recognised stock exchange. The Issuer's understanding of current HMRC practice is that Notes which are officially listed on the Vienna Stock Exchange and admitted to trading on the official market or semi-official market of that exchange may be regarded as listed on a recognised stock exchange for these purposes. While Notes are and continue to be quoted Eurobonds, payments of interest on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

In addition to the exemption set out in the preceding paragraph, interest on Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the Issuer is a "bank" for the purposes of section 991 Income Tax Act 2007 and so long as such payments are made by it in the ordinary course of its business. In accordance with the published practice of HMRC (Statement of Practice 4/96), such payments will be accepted as being made by the Issuer in the ordinary course of its business unless either:

- the borrowing in question relates to the capital structure of the Issuer. A borrowing is regarded as relating to the capital structure of the Issuer if it conforms to any of the definitions of Tier 1, 2 or 3 capital adopted by the Prudential Regulation Authority and the Financial Conduct Authority, whether or not it actually counts towards Tier 1, 2 or 3 capital for regulatory purposes; or
- the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

In a technical note published in December 2013 in connection with the introduction of an exemption from withholding for regulatory capital securities, HMRC announced that Statement of Practice 4/96 will be

withdrawn in due course and guidance will be issued reflecting HMRC's views on certain matters referenced therein.

In addition to the exemptions referred to in the preceding paragraphs, the Issuer is entitled to make payments of interest on the Notes without withholding or deduction for or on account of United Kingdom income tax if, at the time the relevant payments are made, the Issuer reasonably believes that, broadly, the person beneficially entitled to the income is a company within the charge to United Kingdom corporation tax in respect of the interest or falls within a list of specified tax-exempt entities and bodies (unless HMRC has given a direction that this exemption shall not apply, having reasonable grounds for believing the conditions for the exemption will not be met).

In all cases falling outside the exemptions described above, interest on Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty or to any other exemption which may apply. However, this withholding will not apply where the relevant interest is paid on Notes with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes as part of a borrowing with a total term of a year or more.

Other rules relating to United Kingdom withholding tax

Any payments made by the Issuer under the Deed of Covenant may not qualify for the exemptions from UK withholding tax described above.

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on such Notes should not be subject to any United Kingdom withholding tax, but may be subject to reporting requirements as outlined above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest for UK tax purposes. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to apply to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" in this United Kingdom taxation section mean "interest" as understood in United Kingdom tax law. The statements do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer and does not consider the tax consequences of any such substitution.

Reporting Requirements

HMRC has powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HMRC may be provided to tax authorities in other countries.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or to certain limited types of entities established in that other Member State; however, for a transitional period, Austria may instead apply 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 first 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 certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entities established in one of those territories.

Where an individual Noteholder receives a payment of Savings Income from any Member State or dependent or associated territory employing the withholding arrangement, the individual Noteholder may be able to elect not to have tax withheld. The formal requirements may vary slightly from jurisdiction to jurisdiction. They generally require the individual Noteholder to produce certain information (such as his tax number) and consent to details of payments and other information being transmitted to the tax authorities in his home state. **Provided that** the other Tax Authority receives all of the necessary information the payment should not suffer a withholding under the EU Savings Tax Directive or the relevant law conforming with the directive in a dependent or associated territory.

The Council of the European Union formally adopted a Council Directive amending the EU Savings Tax Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described in the first paragraph above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive and are required to apply these new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the EU Savings Tax Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

The European Commission has published a proposal to repeal the EU Savings Tax Directive from 1 January 2016 (subject to transitional arrangements so that certain obligations under the EU Savings Directive will continue to apply until 5 October 2016 and 31 December 2016 (and 30 June 2017 in the case of Austria), or until those obligations have been fulfilled) to prevent overlap with Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

However, the European Commission has proposed the repeal of the EU Savings Tax Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Tax Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in

a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

Ireland Taxation

Irish Withholding tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source income. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest paid on the Notes should not be treated as having an Irish source unless:

- (i) the Issuer is resident in Ireland for tax purposes; or
- (ii) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on the Notes; or
- (iii) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or (if the Notes are in bearer form) the Notes are physically held in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer will not have a branch or permanent establishment in Ireland; (iii) that bearer Notes will not be physically located in Ireland; and (iv) the Issuer will not maintain a register of any registered Notes in Ireland.

Irish Encashment Tax

Payments on any Notes paid by a paying agent in Ireland to a person resident in Ireland will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20 per cent.).

Austria Taxation

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*)) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

General remarks

Individuals having a permanent domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income

(unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a permanent domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of effective management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*) in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of effective management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Notes

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; and
- income from derivatives (*Einkünfte aus Derivativen*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the Notes from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the Notes *vis-à-vis* other countries, e.g. a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Notes as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) of 25 per cent.; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the investor's income tax return and is subject to tax at a flat rate of 25 per cent. In both cases upon application the option exists to tax all income subject to the tax rate of 25 per cent. at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest and other claims *vis-à-vis* credit institutions nor against income from private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to tax at a flat rate of 25 per cent. may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the Notes as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (as described above) the income is subject to withholding tax of 25 per cent. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless tax at a flat rate of 25 per cent.). In case of

investment income without an Austrian nexus, the income must always be included in the investor's income tax return (generally tax at a flat rate of 25 per cent.). In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25 per cent. at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to tax at the flat rate of 25 per cent., are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the Notes at a rate of 25 per cent. In case of investment income with an Austrian nexus (as described above) the income is subject to withholding tax of 25 per cent., which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Income from the alienation of the Notes is subject to corporate income tax of 25 per cent. Losses from the alienation of the Notes can be offset against other income (and carried forward).

Private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*) and holding the Notes as non-business assets are subject to interim taxation at a rate of 25 per cent. on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income with an Austrian nexus (as described above) income is in general subject to withholding tax of 25 per cent., which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on investment income from the Notes if they have a permanent establishment (*Betriebsstätte*) in Austria and the Notes are attributable to such permanent establishment (*cf.* sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). Individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*, see below) from the Notes if withholding tax is levied on such interest (this does not apply, *inter alia*, if the Issuer has neither its place of management nor its legal seat in Austria and is not acting through an Austrian branch, which condition the Issuer understands to be fulfilled in the case at hand; *cf.* sec. 98(1)(5)(b) of the Austrian Income Tax Act).

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then the withholding tax on the positive income is to be credited, with such tax credit being limited to 25 per cent. of the negative income. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation on the offsetting of losses for each bank deposit.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011 as amended in the course of the implementation of Directive 2011/61/EU and as applicable to business years of investment funds starting after 21 July 2013, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15 per cent.; or (c) the undertaking is subject to a comprehensive personal or material

tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. To date no guidance has been issued by the tax authorities on the interpretation of this new provision. In case of a qualification as a foreign investment fund the tax consequences would substantially differ from those described above.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU member state (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (*EU-Quellensteuer*) of 35 per cent. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. Pursuant to Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, interest, dividends and similar types of income as well as account balances and sales proceeds from financial assets shall in general be automatically exchanged as of 1 January 2016 with respect to taxable periods as from that date. Although Austria only will have to apply these provisions from 1 January 2017 with respect to taxable periods as from that date, it announced that it will not make full use of the derogation and will already exchange information on new accounts opened during the period 1 October 2016 to 30 December 2016 by 30 September 2017. While it was expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments – would enter into effect by 1 January 2017, on 18 March 2015 the European Commission published a proposal for a Council Directive repealing Council Directive 2003/48/EC. Pursuant thereto, Council Directive 2003/48/EC shall in general be repealed with effect from 1 January 2016. However, pursuant to detailed grandfathering provisions, Austria shall in general continue to apply it until 31 December 2016.

Regarding the issue of whether also index certificates are subject to EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest. The exact tax treatment of index certificates furthermore depends on their underlying.

Tax treaties Austria/Switzerland and Austria/Liechtenstein

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25 per cent. on, *inter alia*, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent if the relevant holder of such assets (i.e. in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (i.e. in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income, which subsequently has to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at the flat rate of 25 per cent. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5 per cent., with a higher rate of 25 per cent. applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10 per cent. of the fair market value of the assets transferred.

Further, gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

Austrian tax reform

On 12 May 2015, the Austrian Ministry of Finance published a draft bill amending the Austrian Act on Final Taxation (*Endbesteuerungsgesetz*). If enacted, this bill would serve as the constitutional basis enabling the Austrian legislator to raise the rate of Austrian withholding tax of currently 25 per cent. to up to 27.5 per cent. for any kind of investment income (including interest as well as capital gains from financial assets). A draft bill determining for which type of investment income an increase in the withholding tax rate will actually be enacted is expected to be published in due course. Potential investors in the Notes should take this into consideration.

United States Taxation

TAXATION OF US HOLDERS

Except as otherwise provided, this summary (other than the section below entitled "**Taxation of Non-US Holders**") deals only with initial purchasers of Notes at the issue price that are US Holders that will hold the Notes as capital assets.

US Tax Characterisation of the Notes

The characterisation of a Series or Tranche of Notes may be uncertain and will depend on the terms of those Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest for US federal income tax purposes, is based on all the relevant facts and circumstances. There is likely to be no statutory, judicial or administrative authority directly addressing the characterisation of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to such Notes.

Depending on the particular terms of a Series or Tranche of Notes, the Notes may not be characterised as debt for US federal income tax purposes despite the form of the Notes as debt instruments. For example, a Series or Tranche of Notes may be more properly characterised as equity in the Issuer, or some other form of financial instrument.

The following discussion only applies to Notes that are properly characterised as debt for US federal income tax purposes.

Interest

Subject to the discussion of original issue discount and contingent payment debt obligations below, interest, whether payable in US dollars, or a currency, composite currency or basket of currencies other than US dollars (a "**foreign currency**"), on a Note will be taxable to a US Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount and interest, if any, accrued with respect to the Notes (as described below under "Original Issue Discount") generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Original Issue Discount

General

The following is a summary of the principal US federal income tax consequences of the ownership of Notes issued with original issue discount ("**OID**"). The following summary does not discuss Notes that are characterized as contingent payment debt instruments for US federal income tax purposes.

A Note, other than a Note with a term of one year or less (a "**Short-Term Note**"), will be treated as issued with OID (a "**Discount Note**") if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "instalment obligation") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the US Holder will be deemed to exercise *any* put option that has the effect of increasing the yield on the Note.

US Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a US Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the US Holder holds the Discount Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the US Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and

decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Depending on the terms of a particular Series or Tranche, interest on a Note may not be unconditionally payable due, for example, to the occurrence of certain events. In such cases, the Issuer may determine that the likelihood of the occurrence of such an event is remote, and therefore interest should nonetheless be treated as unconditionally payable for purposes of the OID rules. However, there is no controlling authority applicable to the accrual of OID for debt instruments with terms such as those anticipated for certain Notes, and therefore there can be no assurance that the IRS would not successfully challenge such a determination by the Issuer. Depending on the terms of a particular Series or Tranche, if the likelihood of the occurrence of such an event is not remote, the Notes would likely be considered contingent payment debt instruments, as discussed further below.

Acquisition Premium

A US Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "acquisition premium") and that does not make the election described below under "Election to Treat All Interest as Original Issue Discount", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the US Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

Market Discount

A Note, other than a Short-Term Note or a Note acquired at Original Issue, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the US Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a US Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing US Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the Internal Revenue Service (the "**IRS**"). A US Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the US Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the US Holder.

Market discount will accrue on a straight-line basis unless the US Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Election to Treat All Interest as Original Issue Discount

A US Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount — General," with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under "Notes Purchased at a Premium") or acquisition premium. This election will generally apply

only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing US Holder will be treated as having made the election discussed above under "Market Discount" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the US Holder. US Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e. a cap) or a minimum numerical limitation (i.e. a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g. one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g. the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e. at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a US Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the US Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to a variable, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation.

Short-Term Notes

In general, an individual or other cash basis US Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for US federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis US Holders and certain other US Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the US Holder so elects, under the constant-yield method (based on daily compounding). In the case of a US Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. US Holders who are not

required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A US Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the US Holder at the US Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the US Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Fungible Issue

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for US federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Contingent Payment Debt Instruments

Certain Series or Tranches of Notes may be treated as contingent payment debt instruments ("**Contingent Notes**") for US federal income tax purposes. Under applicable US Treasury regulations, interest on the Notes must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the "**comparable yield**"), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Note and an estimated amount for each contingent payment, and must produce the comparable yield. Interest inclusions will be adjusted upward and downward to reflect the difference, if any, between the actual payments received and the projected amount of such payments on the Contingent Notes under the projected payment schedule. Special rules apply to the sale or other disposition of a Contingent Note. See "Purchase, Sale and Retirement of Notes". The relevant Final Terms will indicate the Issuer's intention to treat a particular Series or Tranche of Notes as Contingent Notes.

The Issuer is required to provide to holders, solely for US federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield. The applicable Final Terms will provide an address to which a US Holder of a Contingent Note can submit a written request for such information.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a US Holder or the actual yield of the Contingent Notes. A US Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer unless the US Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A US Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under "Original Issue Discount – General," above. For these purposes, the "adjusted issue price" of a Contingent Note at the beginning of any accrual period is the

issue price of the Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments made on the Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the US Holder on the Contingent Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to accrued OID in respect of the Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the US Holder's total OID inclusions on the Note exceed the total amount of any ordinary loss in respect of the Note claimed by the US Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the US Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the US Holder's amount realised on the sale, exchange or retirement.

If a US Holder purchases a Contingent Note for an amount that differs from the Note's adjusted issue price at the time of the purchase, such US Holder must determine the extent to which the difference between the price it paid for the Note and the adjusted issue price of the Note is attributable to a change in expectations as to the projected payment schedule, a change in interest rates, or both, and reasonably allocate the difference accordingly. A safe-harbour may apply to permit the allocation of this difference pro-rata to OID accruals if the Contingent Note is exchange listed property, as defined in applicable US Treasury Regulations.

If a US Holder purchases a Contingent Note for an amount that is less than the adjusted issue price of the Note, the amount of the difference allocated to, a daily portion of OID or to a projected payment is treated as a positive adjustment to such Holder's income inclusion on the date the OID accrues or the payment is made. If a US Holder purchases a Contingent Note for an amount that is more than the adjusted issue price of the Note, the amount of the difference allocated to a daily portion of OID or to a projected payment is treated as a negative adjustment to such US Holder's income inclusion on the date the OID accrues or the payment is made.

Because any Form 1099-OID that a US Holder receives will not reflect the effects of positive or negative adjustments resulting from its purchase of a Contingent Note at a price other than the adjusted issue price determined for tax purposes, US Holders are urged to consult with their tax advisors as to whether and how adjustments should be made to the amounts reported on any Form 1099-OID.

Substitution of Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for US federal income tax purposes as a deemed disposition of Notes by a US Holder in exchange for new Notes issued by the new obligor. As a result of this deemed disposition, a US Holder could be required to recognise capital gain or loss for US federal income tax purposes equal to the difference, if any, between the issue price of the new Notes (as determined for US federal income tax purposes), and the US Holder's tax basis in the Notes. US Holders should consult their tax advisers concerning the US federal income tax consequences to them of a change in obligor with respect to the Notes.

Purchase, Sale and Retirement of Notes

A US Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID, as well as interest inclusions on a Contingent Note, included in the US Holder's income with respect to the Note, and reduced by the amount of any payments that are not qualified stated interest payments.

A US Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest (but does include at the scheduled maturity of a Contingent Note, the projected payment of such Contingent Note), which will be taxable as interest income to the extent not previously included in income. Except to the extent attributable to changes in exchange rates (as discussed below) or described below in the immediately

following paragraph in relation to Contingent Notes, gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the US Holder's holding period in the Notes exceeds one year. Capital gain or loss realised by a US Holder on the sale or retirement of a Note generally will be US source.

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the US Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the US Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss (other than loss treated as capital loss) realised by a US Holder on the sale or retirement of a Contingent Note will be foreign source.

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis US Holder will be the US dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into US dollars.

An accrual basis US Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a US Holder, the part of the period within the taxable year).

Under the second method, the US Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis US Holder may instead translate the accrued interest into US dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the US Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the US Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the US Holder may recognise US source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into US dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into US dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into US dollars in the same manner as stated interest accrued by an accrual basis US Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a US Holder may recognise US source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into US dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into US dollars.

Market Discount

Market Discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the US Holder elects to include market discount in income currently, the accrued market discount will be translated into US dollars at the average exchange rate for the accrual period (or portion thereof within the US Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the US Holder may recognise US source exchange gain or loss

(which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A US Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the US dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a US Holder may recognise US source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the US Holder. A US Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

Foreign Currency Contingent Notes

Special rules apply to determine the accrual of interest, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent Notes are complex, and US Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a US Holder of a Foreign Currency Contingent Note will generally be required to accrue interest in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "Contingent Payment Debt Instrument". The amount of interest on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

Interest on a Foreign Currency Contingent Note will be translated into US dollars under translation rules similar to those described above under "– Interest". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into US dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid interest will be translated into US dollars at the same rate at which such interest was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid interest, the negative adjustment will be treated as offsetting interest that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into US dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

Foreign Currency Exchange Rate Gain or Loss. A US Holder will also recognise US source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note. For purposes of determining the amount of exchange rate gain or loss, the amount received is attributed first to any net positive adjustment that has not previously been taken into account, then to accrued but unpaid interest (after reduction by any net negative adjustment that reduces accrued OID or that gives rise to an ordinary loss, and attributed to the most recent period to the extent prior amounts have not already been attributed to such period), and thereafter to principal. Any interest paid in a taxable year in which a net negative adjustment has reduced OID accruing in that year is treated as a payment of principal to the extent of such reduction. Generally, no exchange rate gain or loss is recognized with respect to amounts received that are attributed to a net positive adjustment. The exchange rate gain or loss in respect of amounts attributable to accrued OID will be equal to the difference, if any, between the amount translated into US dollars at the spot rate in effect on the date of receipt and the US dollar value of the accrued OID translated into US dollars at the exchange rate at

which the OID was accrued. The exchange gain or loss in respect of amounts attributable to principal will be equal to the difference, if any, between the amount translated into US dollars on the spot rate in effect on the date of receipt and the amount translated into US dollars at the spot rate in effect on the date the Note was acquired.

Sale or Retirement

Notes other than Foreign Currency Contingent Notes. As discussed above under "Purchase, Sale and Retirement of Notes", a US Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A US Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the US dollar cost of the Note. The US dollar cost of a Note purchased with foreign currency will generally be the US dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis US Holder (or an accrual basis US Holder that so elects), on the settlement date for the purchase.

The amount realised on a sale or retirement for an amount in foreign currency will be the US dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis US Holder (or an accrual basis US Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis US Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A US Holder will recognise US source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the US dollar values of the US Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the US Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement.

Foreign Currency Contingent Notes. Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a US Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the US Holder's tax basis in the Foreign Currency Contingent Note, both translated into US dollars as described below. A US Holder's tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into US dollars at the spot rate on the issue date), (ii) increased by the amount of interest previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into US dollars using the exchange rate applicable to such interest) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The US dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued interest to which prior amounts have not already been allocated and translating those amounts into US dollars at the rate at which the interest was accrued and (ii) then allocating any remaining amount to principal and translating such amount into US dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the US Holder. For this purpose, any accrued interest reduced by a negative adjustment carry forward will be treated as principal. The basis is also increased or decreased, as appropriate, to reflect positive or negative adjustments that a US Holder must make to account for the difference between such US Holder's purchase price for the Note and the adjusted issue price of the Note at the time of the purchase. For this purpose, any negative adjustment allocable to OID is translated into US dollars at the rate used to translate the OID being offset, and any negative adjustment applicable to projected payments is translated into US dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired. Also, for this purpose, any positive adjustment applicable to OID is translated into US dollars at the rate used to translate the OID to which it relates (and is treated as an additional accrual of OID under the above rules) and any positive adjustment applicable to a projected payment is translated into US dollars at the spot rate on the date the adjustment is taken into account.

The amount realised by a US Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a US Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the US dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more interest components, based on the principal and interest

comprising the US Holder's basis, with the amount realised allocated first to interest (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. For this purpose, any amount added to a US Holder's basis to account for the difference between such US Holder's purchase price for the Foreign Currency Contingent Note and the adjusted issue price of the Note at the time of purchase will be translated into US dollars at the same rates at which they were translated for purposes of determining basis. The US dollar equivalent of the amount realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued interest (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into US dollars using the exchange rate used with respect to the corresponding principal or accrued interest. The amount of any gain realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the holder's tax basis, both expressed in foreign currency, and will be translated into US dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the US Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the US Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss (other than loss treated as capital loss) realised by a US Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Any capital loss will generally be US source. Prospective investors should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A US Holder will also recognise US source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued interest to which such payment relates.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its US dollar value at the time the interest is received or at the time of the sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the US dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for US dollars) will be US source ordinary income or loss.

Backup Withholding and Information Reporting

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a US Holder by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder as may be required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US Holders (including, among others, corporations) are not subject to backup withholding. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Reportable Transactions

A US taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A US Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year, if the US Holder is an individual or trust, or higher amounts for other non-individual US Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a reportable transaction for purposes of these rules, a US Holder will be required to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a US Holder realises a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the US Holder

could be required to file an information return with the IRS, and failure to do so may subject the US Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of US Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective investors are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

Disclosure Requirements

Individuals who are U.S. Holders (and to the extent specified in applicable Treasury regulations, certain individuals who are Non-U.S. Holders and certain U.S. entities) who hold "specified foreign financial assets" are required to file IRS Form 8938 with information relating to the asset for each taxable year in which the aggregate value of all such assets exceeds \$75,000 at any time during the taxable year or \$50,000 on the last day of the taxable year (or such higher dollar amount as prescribed by applicable Treasury regulations). Specified foreign financial assets would include, among other assets, the Notes, unless the Notes held through an account maintained with a U.S. financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual U.S. Holder (and to the extent specified in applicable Treasury regulations, an individual Non-U.S. Holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. U.S. Holders (including U.S. entities) and Non-U.S. Holders are encouraged consult their own tax advisors regarding their reporting obligations under this legislation.

TAXATION OF NON-US HOLDERS

General

This discussion does not discuss all aspects of United States federal income taxation that may be relevant to non-US Holders in light of their particular circumstances or to non-US Holders subject to special rules under the United States federal income tax laws, such as financial institutions, real estate investment trusts, insurance companies, dealers in securities, persons holding Notes in connection with a hedging transaction, "straddle", integrated or conversion transaction, persons who own an interest in a partnership or other pass-through entity, former citizens or long-term residents of the United States or tax-exempt organizations.

Subject to the discussions above and below in "Dividend Equivalent Payments" and "U.S. Backup Withholding and Information Reporting," the Issuer expects that payments on the Notes to a Non-US Holder generally will not be subject to U.S. federal withholding tax.

Further, subject to the discussion above, gains realized on the sale, exchange, retirement or other disposition of a Note by a Non-US Holder will generally not be subject to U.S. federal income tax unless (i) such income is effectively connected with a trade or business conducted by the Non-US Holder in the United States, or (ii) the Non-US Holder has or had a current or former relationship with the United States, including a relationship as a citizen or resident thereof or based on an individual's presence in the United States for 183 days or more in the taxable year.

Generally, Notes held by an individual who is a Non-US Holder at the time of death will not be subject to U.S. federal estate tax as a result of the individual's death if at the time of the individual's death payments with respect to the Note would not have been effectively connected with a U.S. trade or business of the individual

U.S. Withholding on Notes

Notwithstanding the general discussion above, if payments on a Note were treated as U.S. source income, such amounts could be subject to a U.S. withholding tax generally, payments, including the proceeds of a sale or redemption, to a non-U.S. entity could be subject to a separate 30 per cent. U.S. withholding tax (which may not be refundable) without regard to the exemptions from U.S. withholding that may otherwise be available.

Dividend Equivalent Payments

Notwithstanding the general discussion above payments made (i) pursuant to a securities lending transaction, a sale-repurchase transaction or a specified notional principal contract that directly or indirectly are contingent upon, or determined by reference to, the payment of a U.S. source dividend (generally a dividend with respect to a U.S. corporation or a foreign corporation that is engaged in a U.S. trade or business) or (ii) otherwise determined to be substantially similar to a payment described in (i) above will be treated as U.S. source dividends and subject to withholding. The Issuer will not pay any Additional Amounts in respect of such withholding.

In general, a specified notional principal contract is any notional principal contract existing on or after 18 March 2012 (unless exempted under future regulations) or any notional principal contract (i) pursuant to which any long party transfers the underlying security to any short party, (ii) in connection with the termination of which, the short party transfers the underlying security to any long party, (iii) if the underlying security is not readily tradable on an established securities market, (iv) in connection with the execution of which, the underlying security is posted as collateral by any short party with any long party, or (v) that is identified as being a specified notional principal contract. It is unclear whether any of the Notes will constitute a notional principal contract, and if so, whether such a Note would be treated as a specified notional principal contract. In addition, it is unclear whether any Note may be treated as making payments that are specifically identified as being substantially similar to payments that would be subject to these rules.

In addition, Proposed U.S. regulations require withholding of up to 30 per cent. (depending on whether an income tax treaty or other exemption applies) on payments, or deemed payments, made to non-U.S. persons on certain financial instruments to the extent that such payments are treated as being contingent upon, or determined by reference to, U.S. source dividends ("**Dividend Equivalent Amounts**"). Significant aspects of the application of these regulations to the Notes are uncertain. Payments on Notes made after 31 December 2015 that are treated by the applicable Treasury regulations as being Dividend Equivalent Amounts may be subject to this withholding. Payments on Notes issued before the date that is 90 days after final regulations under these rules are published generally will be exempt from this tax. If a Dividend Equivalent Amount were to be deducted or withheld from payments on the Notes, the Issuer will have no obligation to pay any additional amounts in relation to such withholding or deduction.

U.S. Backup Withholding and Information Reporting

In the case of a Note that is treated as debt and in registered form for U.S. federal income tax purposes, payments of principal, OID, and interest made by a non-U.S. payor (other than a U.S. Controlled Person) outside the United States to a Non-US Holder will not be subject to information reporting or backup withholding. Payments on such Notes made within the United States or by a U.S. Controlled Person may be subject to information reporting and backup withholding. In general, although issued in "bearer form," Notes issued by the Issuer may be treated as registered for U.S. federal income tax purposes.

Payments of principal, OID and interest on securities treated as debt and in bearer form for U.S. federal income tax purposes to a Non-US Holder by a non-U.S. payor (other than a U.S. Controlled Person) generally will not be subject to information reporting and backup withholding.

Payments on the sale, exchange or other disposition of a Note made to a Non-US Holder by a non-U.S. broker (other than a U.S. Controlled Person) generally will not be subject to information reporting or backup withholding. However, if the broker is a U.S. Controlled Person, payments on the sale, exchange or other disposition of such a Note made by such U.S. Controlled Person may be subject to information reporting unless the (i) beneficial owner has furnished the broker with documentation upon which the broker can rely to treat the payment as made to a beneficial owner that is a foreign person or (ii) in the case of a Note in bearer form for U.S. federal income tax purposes that was issued in compliance with the TEFRA D Rules, the payment constitutes retirement of such Note and is made at an office of the U.S. Controlled Person outside the United States and the U.S. Controlled Person is not also acting in its capacity as a custodian, nominee, or other agent of the Holder.

For purposes of this discussion, a "U.S. Controlled Person" means (i) a U.S. person (as defined in the Code, and for this purpose includes a foreign branch or office of such person), (ii) a controlled foreign corporation for U.S. federal income tax purposes, (iii) a foreign person 50 per cent. or more of whose gross income was effectively connected with the conduct of a United States trade or business for a

specified three-year period, (iv) a foreign partnership, if at any time during its tax year, one or more of its partners are U.S. persons who, in the aggregate, hold more than 50 per cent. of the partnership's income or capital interest or if, at any time during its tax year, it is engaged in the conduct of a trade or business in the United States, or (v) a U.S. branch of a foreign bank or a foreign insurance company.

Any amounts withheld under the backup withholding rules may be allowed as a credit against the Holder's U.S. federal income tax liability, and may entitle the Holder to a refund, **provided that** the required information is furnished to the IRS.

Holders should consult their tax advisors regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

THE FOREGOING SUMMARY DOES NOT ADDRESS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO AN INVESTOR. INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS FOR SPECIFIC ADVICE CONCERNING THE TAX CONSEQUENCES REGARDING THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES.

CERTAIN ERISA RESTRICTIONS

The United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") imposes certain duties on persons who are fiduciaries of employee benefit plans (as defined in Section 3(3) of ERISA) ("**ERISA Plans**") and of entities whose underlying assets are deemed to include assets of ERISA Plans by reason of an ERISA Plan's investment in such entities. Among other things, Section 406(a) of ERISA and Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") prohibit certain transactions ("**prohibited transactions**") involving the assets of ERISA Plans or plans described in Section 4975(e)(1) of the Code (together with ERISA Plans, "**Plans**") and certain persons (referred to as "Parties-In-Interest" in ERISA and as "Disqualified Persons" in Section 4975 of the Code) having certain relationships to such Plans and entities. A Party-In-Interest or Disqualified Person who engages in a non-exempt prohibited transaction may be subject to non-deductible excise taxes and other penalties and liabilities under ERISA and/or the Code. Prohibited transactions could occur if Notes are acquired or held by Plans or entities deemed to be holding assets of Plans. Government plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to local, state or other Federal laws that are similar to the foregoing provisions of ERISA and the Code (a "**Similar Law**").

The United States Department of Labor, the government agency primarily responsible for administering the ERISA fiduciary rules and the prohibited transaction rules under ERISA and the Code, has issued certain exemptions from the prohibited transaction rules covering transactions effected or entered into by certain categories of fiduciaries or entities, subject to certain conditions. These exemptions include Prohibited Transaction Class Exemption ("**PTCE**") 84-14, relating to qualified professional asset managers; PTCE 90-1, relating to insurance company pooled separate accounts; PTCE 91-38, relating to bank collective investment funds; PTCE 95-60, relating to insurance company general accounts and PTCE 96-23, relating to in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Internal Revenue Code provide a prohibited transaction exemption for transactions involving plan service providers, and there are other statutory and administrative prohibited transaction exemptions that may apply to transactions involving the acquisition, holding and disposition of Notes.

Except in situations where, as described below "Benefit Plan Investors" (defined below) will not be permitted to acquire or hold a particular Series of Notes or beneficial interests therein, each beneficial owner of a Note will be deemed to represent and warrant that: (1) either (a) it is not (and for so long as it holds any such Note or any interest therein will not be), and is not (and for so long as it holds any such Note or interest therein will not be) acting on behalf of a "Benefit Plan Investor" or a governmental, church or non-U.S. plan which is subject to any Similar Law, or (b) its acquisition, holding and disposition of such Note or interest will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church plan or non-U.S. plan, will not result in a violation of any Similar Law); and (2) it will not sell or otherwise transfer such Note or interest to any person without first obtaining these same foregoing representations and warranties.

The United States Department of Labor has also issued a regulation codified at 29 C.F.R. § 2510.3-101, and modified in application by section 3(42) of ERISA (the "**Plan Asset Regulation**"), which provides that if Plans own twenty five percent (25 per cent.) or more of any class of equity interests in an entity that is not an "operating company" (defined as an entity that is "primarily engaged, directly or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital"), each underlying assets of that entity is treated as a "plan asset" subject to the fiduciary provisions of ERISA and section 4975 of the Code. An equity interest under the Plan Asset Regulation is an interest other than an interest that is treated as debt under applicable law and which has no substantial equity features. The Plan Asset Regulation also provides that where the value of a plan's equity interest in an entity relates solely to identified property of the entity, such property is to be treated as the sole property of a separate hypothetical entity and thus potentially subject to being treated as a plan asset.

The Issuer believes that any Series of Notes characterized as debt should be characterised as debt under the Plan Asset Regulation and thus the underlying assets of the Issuer should generally not be treated as plan assets under the Plan Asset Regulation. However, any Series of Notes characterized as equity could be treated as equity interests in a hypothetical entity due to the equity features associated with that Series of Notes. Although there is little authority on the issue, it is possible that such property could be treated as plan assets if a Plan holds twenty five percent (25 per cent.) of such Series of Notes.

As discussed above, the Plan Asset Regulation provides that if equity participation in any entity by "Benefit Plan Investors" is not significant (less than twenty five percent (25 per cent.)) then the "look-through" rule will not apply to such entity. "Benefit Plan Investors" include (1) any employee benefit plan (as defined in Section 3(3) of ERISA), that is subject to Part 4 of Title I of ERISA, (2) any plan described in section 4975(e)(1) of the Code, including, without limitation, individual retirement accounts and Keogh plans, and (3) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity pursuant to the Plan Asset Regulation (including, for this purpose, the general account of an insurance company, any of the underlying assets of which constitute plan assets under Section 401 (c) of ERISA, or a wholly-owned subsidiary thereof).

If for any reason any assets of the Issuer were deemed to be plan assets of a Plan subject to Title I of ERISA or Section 4975 of the Code because one or more such Plans is an owner of Notes, certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its businesses might constitute prohibited transactions under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded. In addition, if any assets of the Issuer are deemed to be plan assets of a Plan subject to Title I of ERISA or Section 4975 of the Code, the payment of certain of the fees by the Issuer might be considered to be a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code. Moreover, if any underlying assets of the Issuer were deemed to be plan assets, (i) such assets of the Issue could be subject to ERISA's reporting and disclosure requirements, (ii) a fiduciary causing a Benefit Plan Investor to make an investment in the Notes characterised as equity of the Issuer could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor, (iii) various providers of fiduciary or other services to the Issuer, and other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise Parties in Interest or Disqualified Persons by virtue of their provision of such services, and (iv) it is not clear that Section 404(b) of ERISA, which generally prohibits plan fiduciaries from maintaining the indicia of ownership of assets of plans subject to Title I of ERISA outside the jurisdiction of the district courts of the United States, would be satisfied in all instances.

To avoid issues that could arise if the assets of the Issuer were deemed to be "plan assets," the Issuer will require for a particular Series of Notes characterized as equity that each holder of a Note or a beneficial interest therein be deemed to represent and warrant that for so long as it holds a Note or any interest therein (1) it is not (a) a Benefit Plan Investor (as defined in section 3(42) of ERISA) (including, for this purpose, the general account of an insurance company, any of the underlying assets of which constitute plan assets under Section 401 (c) of ERISA, or a wholly-owned subsidiary thereof), or (b) a governmental, church or non-U.S. plan which is subject to Similar Law whose acquisition, holding and disposition of such Note or interest would result in a violation of any Similar Law, and (2) it will not sell or otherwise transfer any such note or interest to any person without first obtaining these same foregoing representations and warranties.

There can be no assurance, however, that these representations and warranties will be effective to prevent prohibited transactions from occurring or property of the Issuer from being treated as "plan assets" for purposes of ERISA as a result of Plans holding Notes.

SERIES CHARACTERIZED AS DEBT

EACH BENEFICIAL OWNER OF A RESTRICTED REGISTERED NOTE WILL BE DEEMED TO REPRESENT AND WARRANT THAT (1) EITHER (A) IT IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST THEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1986, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW); AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER SUCH NOTE OR INTEREST TO ANY PERSON

WITHOUT FIRST OBTAINING THESE SAME FOREGOING REPRESENTATIONS AND WARRANTIES. **"BENEFIT PLAN INVESTORS"** INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(e)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE PLAN ASSETS UNDER SECTION 401 (c) OF ERISA, OR A WHOLLY-OWNED SUBSIDIARY THEREOF).

SERIES CHARACTERIZED AS EQUITY

EACH HOLDER OF THIS NOTE OR AN INTEREST HEREIN WILL BE DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHOSE ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WOULD RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUCH NOTE OR INTEREST TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING REPRESENTATIONS AND WARRANTIES. **"BENEFIT PLAN INVESTORS"** INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE PLAN ASSETS UNDER SECTION 401 (C) OF ERISA, OR A WHOLLY-OWNED SUBSIDIARY THEREOF).

SELLING RESTRICTIONS

The Notes will be distributed by ICBC Standard Bank Plc (in such capacity the "**Dealer**"). The Dealer will observe and every purchaser will be required to observe the restrictions set out below, in addition to any further restrictions set forth in the relevant Series Prospectus.

United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Notes in bearer form having a maturity of more than one year are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S). The Notes will not be offered, sold or delivered in bearer form within the United States or to US persons (as defined by the US Internal Revenue Code of 1986).

The Dealer will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Registrar or the Issuer by the Dealer within the United States or to, or for the account or benefit of, U.S. persons, other than pursuant to Rule 144A, and the Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act (if such sale is made otherwise than in accordance with Rule 144A) or another exemption from registration under the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes (a) outside the United States to non-US persons in reliance on Regulation S and (b) in the United States to qualified institutional buyers within the meaning of Rule 144A pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Issuer reserves the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any US person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by the Issuer or its US broker-dealer affiliates. Distribution of this Base Prospectus by any non-US person outside the United States or by any qualified institutional buyer in the United States to any US person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-US person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such US person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-US person or qualified institutional buyer, is prohibited.

Each issuance of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the relevant Dealer(s) shall agree with the Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom

The Dealer represents, warrants and agrees that:

- (1) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would

otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

- (2) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer; and
- (3) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer represents, warrants and agrees with the Issuer that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base 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 Notes to the public in that Relevant Member State:

- (1) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus which is not a Series 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 Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (2) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (3) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive subject to obtaining the prior consent of the Dealer nominated by the Issuer for any such offer; or
- (4) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (2) to (4) above shall require the Issuer or the 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 Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Republic of Ireland

The Dealer will represent, warrant and agree that they have not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the issue of any Notes in Ireland:

- (a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), and any codes of conduct or rules issued in connection therewith and any conditions, requirements or other enactments imposed or approved by the Central Bank of Ireland, and the provisions of the Irish Investor Compensation Act 1998;
- (b) otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 – 2014 and any codes of practice made under section 117(1) of the Irish Central Bank Act 1989;
- (c) otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued in connection herewith, by the Central Bank of Ireland;
- (d) otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued in connection herewith by the Central Bank of Ireland; and
- (e) 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.

Austria

In addition to the cases described in the Public Offer Selling Restrictions under the Prospectus Directive in which the Notes may be offered to the public in a Relevant Member State (including Austria), the Notes may be offered to the public in Austria only:

- (a) if the following conditions have been satisfied:
 - (i) the Base Prospectus, including any supplements but excluding any Final Terms, has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**") or, where appropriate, approved in another Member State for the purposes of making offers of Notes to the public and notified to the FMA, all in accordance with the Prospectus Directive, and has been published at least one Austrian bank working day prior to the commencement of the relevant offer of Notes to the public;
 - (ii) the applicable Final Terms for the Notes have been validly published and filed with the FMA on or prior to the date of commencement of the relevant offer of the Notes to the public; and
 - (iii) a notification with the Oesterreichische Kontrollbank Aktiengesellschaft, all as prescribed by the Austrian Capital Market Act (*Kapitalmarktgesetz*, Federal Law Gazette No 625/1991, as amended, the "**KMG**"), has been filed at least one Austrian bank working day prior to the commencement of the relevant offer of Notes to the public; or
- (b) otherwise in compliance with the KMG.

For the purposes of this Austrian selling restriction, the expression "an offer of the Notes to the public" means any communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealer following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

The Dealer agrees that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor the Dealer shall have responsibility therefor.

TRANSFER RESTRICTIONS

Restricted Notes

Each purchaser of Notes within the United States, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that:

- (1) It is (a) a qualified institutional buyer within the meaning of Rule 144A ("**QIB**"), (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act.
- (2) The Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States. It will, and each subsequent holder of the Restricted Notes is required to, notify any purchaser of the Restricted Notes from it of the resale restrictions applicable to the Restricted Notes.
- (3) Such Notes, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO IN RULE 144(K) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (1) TO THE ISSUER OR AN AFFILIATE OF THE ISSUER, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) OUTSIDE THE UNITED STATES IN AN OFF-SHORE TRANSACTION TO NON-US PERSONS IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTES IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

EACH BENEFICIAL OWNER HEREOF REPRESENTS THAT (1) IT IS A QIB; (2) IT IS HOLDING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QIB; (3) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER OR THIS NOTE; AND (4) IT WILL PROVIDE NOTICE OF THE FOREGOING TRANSFER RESTRICTIONS TO ITS SUBSEQUENT TRANSFEREES. THE ISSUER HAS

THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THIS NOTE TO A PERSON WHO IS NOT A QIB.

EACH BENEFICIAL OWNER OF A RESTRICTED REGISTERED NOTE WILL BE DEEMED TO REPRESENT AND WARRANT THAT (1) EITHER (A) IT IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST HEREIN WILL NOT BE), AND IS NOT (AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST THEREIN WILL NOT BE) ACTING ON BEHALF OF A "**BENEFIT PLAN INVESTOR**" AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1986, AS AMENDED ("**ERISA**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") (ANY SUCH LAW OR REGULATION, A "**SIMILAR LAW**"), OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR INTEREST HEREIN WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION IN VIOLATION OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH PLAN OR NON-U.S. PLAN, WILL NOT RESULT IN A VIOLATION OF ANY SIMILAR LAW); AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER SUCH NOTE OR INTEREST TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING REPRESENTATIONS AND WARRANTIES. "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE PLAN ASSETS UNDER SECTION 401 (C) OF ERISA, OR A WHOLLY-OWNED SUBSIDIARY THEREOF).¹

¹ In the discretion of the Issuer, the Series Prospectus relating to a particular issue of Notes may provide that the legend on such Notes will include the following paragraph in lieu of the paragraph set forth in the text above (see "*CERTAIN ERISA RESTRICTIONS*" above):

EACH HOLDER OF THIS NOTE OR AN INTEREST HEREIN WILL BE DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR ANY ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUCH NOTE OR INTEREST TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING REPRESENTATIONS AND WARRANTIES. "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING

ASSETS OF WHICH CONSTITUTE PLAN ASSETS UNDER SECTION 401 (C) OF ERISA, OR A WHOLLY-OWNED SUBSIDIARY THEREOF).

- (4) It understands that Notes offered in reliance on Rule 144A will be represented by a Restricted Global Certificate. Before any interest in a Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate of the same Series, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.
- (5) Either (a) it is not (and for so long as it holds such Notes or any interest therein will not be), and is not (and for so long as it holds such Notes or interest therein will not be) acting on behalf of a **"Benefit Plan Investor"** as defined in section 3(42) of the United States Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**) or a governmental, church or non-U.S. plan which is subject to any Federal, state, local or non-U.S. law or regulation that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the United States Internal Revenue Code (the **"Code"**) (any such law or regulation, a **"Similar Law"**), or (b) its acquisition, holding and disposition of such Notes or interest will not constitute a non-exempt prohibited transaction in violation of Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church plan or non-U.S. plan, will not result in a violation of any Similar Law); and (2) it will not sell or otherwise transfer such Notes or interest to any person without first obtaining these same foregoing representations and warranties. **"Benefit Plan Investors"** include (1) any employee benefit plan (as defined in Section 3(3) of ERISA), that is subject to Part 4 of Title I of ERISA, (2) any plan described in section 4975(e)(1) of the Code, including, without limitation, individual retirement accounts and Keogh plans, and (3) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity pursuant to the Plan Asset Regulation issued by the United States Department of Labor, 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (including, for this purpose, the general account of an insurance company, any of the underlying assets of which constitute plan assets under Section 401 (c) of ERISA, or a wholly-owned subsidiary thereof).²

² In the discretion of the Issuer, the Series Prospectus relating to a particular issue of Notes may provide that the each purchaser of such Notes will be deemed to have represented, agreed and acknowledged as follows in lieu of the paragraph set forth in the text above (see **"CERTAIN ERISA RESTRICTIONS"** above):

- (1) It is not and for so long as it holds this Note or interest herein will not be (a) a Benefit Plan Investor (as defined in section 3(42) of the United States Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**)), or (b) a governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the United States Internal Revenue Code of 1986, as amended (the **"Code"**) or any entity whose assets are treated as assets of any such plan, and (2) it will not sell or otherwise transfer any such note or interest to any person without first obtaining these same foregoing representations and warranties. **"Benefit Plan Investors"** include (1) any employee benefit plan (as defined in Section 3(3) of ERISA), that is subject to Part 4 of Title I of ERISA, (2) any plan described in section 4975(e)(1) of the Code, including, without limitation, individual retirement accounts and Keogh plans, and (3) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity pursuant to the Plan Asset Regulation issued by the United States Department of Labor, 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (including, for this purpose, the general account of an insurance company, any of the underlying assets of which constitute plan assets under Section 401 (c) of ERISA, or a wholly-owned subsidiary thereof).
- (6) It agrees that it will give to each person to whom it transfers any Notes notice of any restrictions on transfer of such Notes.
- (7) If it is acquiring any Notes for the account of one or more QIBs, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- (8) It understands that the Issuer and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more qualified institutional buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Upon the transfer, exchange or replacement of a Restricted Global Certificate or a Restricted Certificate, or upon specific request for removal of the legend, the Issuer will deliver only a Restricted Global Certificate or one or more Restricted Certificates that bear such legend or will refuse to remove such legend, unless there is delivered to the Issuer and the Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Any interest in a Restricted Global Certificate that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate will, upon transfer, cease to be an interest in a Restricted Global Certificate and become an interest in an Unrestricted Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in an Unrestricted Global Certificate.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Unrestricted Registered Notes

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (2) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the Exchange Date, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:
- "THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED, (THE "**SECURITIES ACT**"). THIS NOTE IS BEING OFFERED OUTSIDE THE UNITED STATES AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS THOSE TERMS ARE DEFINED IN REGULATION S UNDER THE SECURITIES ACT)."*
- (4) It understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (5) It understands that Notes in registered form offered in reliance on Regulation S will be represented by an Unrestricted Global Certificate. Prior to the Exchange Date, before any interest in the Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate of the same Series, it will be required to provide a written certification (in the form provided in the Deed of Covenant) as to compliance with applicable securities laws.**

On or prior to the fortieth day after the relevant issue date, Notes represented by an interest in an Unrestricted Global Certificate may be transferred to a person who wishes to hold such Notes in the form of an interest in a Restricted Global Certificate only upon receipt by the Registrar of a written certification from the transferor (in the form provided in the Deed of Covenant) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. After such fortieth day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Global Certificate, as described above.

* In the discretion of the Issuer, the Series Prospectus relating to a particular issue of Notes may provide that the legend on such Notes will include the following paragraph (see "*CERTAIN ERISA RESTRICTIONS*" above):

EACH HOLDER OF THIS NOTE OR AN INTEREST HEREIN WILL BE DEEMED TO REPRESENT AND WARRANT THAT (1) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE (A) A BENEFIT PLAN INVESTOR (AS DEFINED IN SECTION 3(42) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR ANY ENTITY WHOSE ASSETS ARE TREATED AS ASSETS OF ANY SUCH PLAN, AND (2) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUCH NOTE OR INTEREST TO ANY PERSON WITHOUT FIRST OBTAINING THESE SAME FOREGOING REPRESENTATIONS AND WARRANTIES. "**BENEFIT PLAN INVESTORS**" INCLUDE (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE, INCLUDING, WITHOUT LIMITATION, INDIVIDUAL RETIREMENT ACCOUNTS AND KEOGH PLANS, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY PURSUANT TO THE PLAN ASSET REGULATION ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR, 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA (INCLUDING, FOR THIS PURPOSE, THE GENERAL ACCOUNT OF AN INSURANCE COMPANY, ANY OF THE UNDERLYING ASSETS OF WHICH CONSTITUTE PLAN ASSETS UNDER SECTION 401 (C) OF ERISA, OR A WHOLLY-OWNED SUBSIDIARY THEREOF).

** In the discretion of the Issuer, the Series Prospectus relating to a particular issue of Notes may provide that the each purchaser of such Notes will be deemed to have additionally represented, agreed and acknowledged as follows (see "*CERTAIN ERISA RESTRICTIONS*" above):

(1) It is not and for so long as it holds this Note or interest herein will not be (a) a Benefit Plan Investor (as defined in section 3(42) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or (b) a governmental, church or non-U.S. plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") or any entity whose assets are treated as assets of any such plan, and (2) it will not sell or otherwise transfer any such note or interest to any person without first obtaining these same foregoing representations and warranties. "**Benefit Plan Investors**" include (1) any employee benefit plan (as defined in Section 3(3) of ERISA), that is subject to Part 4 of Title I of ERISA, (2) any plan described in section 4975(e)(1) of the Code, including, without limitation, individual retirement accounts and Keogh plans, and (3) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity pursuant to the Plan Asset Regulation issued by the United States Department of Labor, 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (including, for this purpose, the general account of an insurance company, any of the underlying assets of which constitute plan assets under Section 401 (c) of ERISA, or a wholly-owned subsidiary thereof).

FORM OF FINAL TERMS

ICBC STANDARD BANK PLC

U.S.\$3,500,000,000

Note Issuance Programme

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Notes]

Issue Price: [●] per cent.

Final Terms dated [●]

PART A - CONTRACTUAL TERMS

Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

[OPTION 1 (NORMAL ISSUANCE UNDER THE PROGRAMME ON THE BASIS OF THE TERMS AND CONDITIONS SET OUT IN THE BASE PROSPECTUS)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 May 2015 [and the supplemental Base Prospectus dated *[date]*] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended by Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation 23 of S.I. 324 of 2005 of Ireland and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at, and copies may be obtained from, the registered office of the Issuer which is 20 Gresham Street, London EC2V 7JE or at www.ise.ie.] [The Final Terms are also available for viewing at, and copies may be obtained from, the registered office of the Issuer.]]

OPTION 2 (ISSUANCE ON THE BASIS OF TERMS AND CONDITIONS FROM EARLIER PROGRAMME DOCUMENTS INCORPORATED BY REFERENCE IN THE BASE PROSPECTUS)

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in the Base Prospectus.

Terms used herein shall be deemed to be defined as such for the purposes of the *[date]* Conditions (the "**Conditions**") incorporated by reference in the base prospectus dated *[original date]*. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated *[current date]* [and the supplemental Base Prospectus dated *[date]*] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are set forth in the base prospectus dated *[original date]* and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.]

[Any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]

[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.]

- | | | |
|----|---|--|
| 1. | Issuer: | ICBC Standard Bank Plc |
| 2. | (i) Series Number: | [●] |
| | (ii) [Tranche Number: | [●]] |
| | (iii) [Date on which the Notes become fungible: | [Not Applicable / The Notes shall be consolidated to form a single series and be interchangeable for trading purposes with the [●] on [[●] / the Issue Date / exchange of temporary Global Note for interests in the permanent Global Note, as referred to in paragraph 21 below [which is expected to |

- occur on or about [●]].]
3. Specified Currency or Currencies: [●]
 4. Aggregate Nominal Amount:
 - (i) Series (total): [●]
[This is the aggregate amount of the series, i.e. original issue plus fungible]
 - (ii) [of which Tranche [●]: [●]]
[This is the amount of the fungible issue only]
 5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
 6. (i) Specified Denomination(s): [●]
 [[●] and integral multiples of [●] in excess thereof up to and including [●]. [No Notes will be issued with a denomination exceeding [●].]]
 - (ii) Calculation Amount: [●]
 7. (i) Issue Date: [●]
 (ii) Trade Date [●]
 (iii) Interest Commencement Date: [●] / [Not Applicable]
 8. Maturity Date: [●] *[specify date for Fixed Rate, Variable Linked Interest or Zero Coupon Notes] or (for Floating Rate Notes) [Interest Payment Date falling in [●]] [specify the relevant month and year].*
 9. Interest Basis: [[●] per cent. Fixed Rate]
 [[specify reference rate] +/- [●] per cent. Floating Rate]
 [Zero Coupon]
 [Variable Linked Interest]
 (further particulars specified below)
 10. Redemption/Payment Basis: [Redemption at par]
 [Redemption – Pass Through (Standard)]
 [Redemption – Pass Through (FX)]
 [Redemption – Currency]
 [Subject to no Credit Event having occurred Redemption – CLN shall apply]
 (further particulars specified below)

11. Put/Call Options: [Not Applicable]
- [Put]
- [Call]
- [(further particulars specified below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **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 *[adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]*
- (iii) Interest Period Date[(s)]: [●] / [Not Applicable]
- (iv) Interest Determination Date[(s)]: [●] / [Not Applicable]
- (v) Fixed Coupon Amount[(s)]: [Not Applicable] / [[●] per Calculation Amount [payable in the equivalent amount of [currency]]]
- (vi) Broken Amount: [Not Applicable] / [[●] per Calculation Amount in respect of *[specify relevant Interest Accrual Period]*]
- (vii) Day Count Fraction (Condition 4.10): [Actual/365] / [Actual/Actual-ISDA] / [Actual/365(Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA] / [Actual/364] / [Actual/252]
- (viii) Determination Date(s) (Condition 4.10): [●] 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]*
- (ix) Business Day Convention: [Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
- (x) Business Centre(s) (Condition 4.10): [●]
13. **Floating Rate Note Provisions:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Payment Date[(s)]: [●] / [Not Applicable]
- (ii) Interest Period Date[(s)]: [●] / [Not Applicable]
- (iii) Interest Determination Date[(s)]: [●] / [Not Applicable]

Date[(s)]:

- (iv) Business Day Convention: [Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
- (v) Business Centre(s) (Condition 4.10): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination] / [ISDA Determination] / [Rate Option Annex Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●] / [Not Applicable]
- (viii) Screen Rate Determination (Condition 4.2(c)(ii)): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
 - Reference Rate: [LIBOR] / [EURIBOR]
 - Relevant Screen Page: [●]
 - Specified Currency: [●] / [Not Applicable]
 - Designated Maturity: [●] / [Not Applicable]
- (ix) ISDA Determination (Condition 4.2(c)(i)): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
 - Floating Rate Option: [●] / [GBP-LIBOR-BBA] / [EUR-EURIBOR-REUTERS]
 - Designated Maturity: [●] / [Month[s]] / [Year[s]] / [Not Applicable]
 - Reset Date: [●] / [The first day of each Interest Accrual Period]
- (x) Rate Option Annex Determination (Condition 4.2(c)(iii)): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
 - Benchmark Rate: [AOA 3m T-Bill] / [AOA 6m T-Bill] / [AOA 12m T-Bill] / [BWP 14d BoBC] / [BWP 91d BoBC] / [MWK 91d T-Bill] / [MWK 182d T-Bill] / [MWK 364d T-Bill] / [MZN FPC] / [TZS 91d T-Bill] / [TZS 182d T-Bill] / [TZS 364d T-Bill] / [UGX 91d T-Bill] / [UGX 182d T-Bill] / [UGX 364d T-Bill] / [ZMW 3m T-Bill] / [ZMW 6m T-Bill] / [ZMW 1yr T-Bill]
 - Specified Currency: [●] / [Not Applicable]
- (xi) Margin(s): [[+/-][●] per cent. per annum] / [Not Applicable]
- (xii) Minimum Rate of Interest: [[●] per cent. per annum] / [Not Applicable]
- (xiii) Maximum Rate of Interest: [[●] per cent. per annum] / [Not Applicable]

- (xiv) Day Count Fraction (Condition 4.10): [Actual/365] / [Actual/Actual-ISDA] / [Actual/365(Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA] / [Actual/364] / [Actual/252]
- (xv) Determination Date(s) [●] 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]*
14. **Zero Coupon Note Provisions:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield (Condition 5.4): [[●] per cent. per annum] [Not Applicable]
- (ii) Day Count Fraction: [Actual/365] / [Actual/Actual-ISDA] / [Actual/365(Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA] / [Actual/364] / [Actual/252]
15. **Variable Linked Interest Note Provisions:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Formula: [Variable Linked Interest – Standard / Variable Linked Interest – Pass Through (Standard) / Variable Linked Interest – Pass Through (FX)]
- (ii) Variable Linked Interest – Standard: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Reference Obligation: [●]
 - Reference Obligation Currency: [●]
 - Settlement Currency: [●]
 - Rate: [●]
 - FX Rate (0): [●]
 - Valuation Date [(s)]: [●]
 - Settlement Rate Option: [FX and Currency Option Determination: *[insert relevant term from 4.5/4.6 of Annex A of the 1998 FX and Currency Option Definitions]*] / [Calculation Agent Determination of Settlement Rate] / [Issuer Discretion] / [Reference Dealer Poll] / [Rate Option Annex Determination – Settlement Option Rate: [AOA Rate / BWP Rate / ETB Rate / MWK Rate / MZN Rate / TZS Rate / UGX Rate / ZMW Rate]]
 - Additional Accrued Interest: [Applicable/Not Applicable]

- Additional Accrued Interest Date: [●] / [Not Applicable]
- (iii) Variable Linked Interest – Pass Through (Standard): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
 - Reference Obligation: [●]
 - Specified Nominal Amount: [●]

(This should be an aggregate amount and not a per note amount)
- Additional Accrued Interest: [Applicable/Not Applicable]
- Additional Accrued Interest Date: [●] / [Not Applicable]
- (iv) Variable Linked Interest – Pass Through (FX): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
 - Reference Obligation: [●]
 - Specified Nominal Amount: [●]

(This should be an aggregate amount and not a per note amount)
- Pass Through Proportion: [●] per cent.
- Additional Accrued Interest: [Applicable/Not Applicable]
- Additional Accrued Interest Date: [●] / [Not Applicable]
- Additional Accrued Interest Proportion: [●] per cent.
- Reference Obligation Currency: [●] / [Not Applicable]
- Settlement Currency: [●]
- Valuation Date [(s)]: [●]
- Settlement Rate Option: [FX and Currency Option Determination: *[insert relevant term from 4.5/4.6 of Annex A of the 1998 FX and Currency Option Definitions]*] / [Calculation Agent Determination of Settlement Rate] / [Issuer Discretion] / [Reference Dealer Poll] / [Rate Option Annex Determination – Settlement Option Rate: [AOA Rate / BWP Rate / ETB Rate / MWK Rate / MZN Rate / TZS Rate / UGX Rate / ZMW Rate]]

- (v) Interest Determination Date(s): ☐ / [Not Applicable]
- (vi) Interest Payment Date[(s)]: ☐
- (vii) Interest Period Date[(s)]: ☐ / [Not Applicable]
- (viii) Business Day Convention: [Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]
- (ix) Business Centre(s) (Condition 4.10): ☐
- (x) Minimum Interest Amount: ☐ / [Not Applicable]
- (xi) Maximum Interest Amount: ☐ / [Not Applicable]
- (xii) Day Count Fraction (Condition 4.10): [Actual/365] / [Actual/Actual-ISDA] / [Actual/365(Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] / [Actual/Actual-ICMA] / [Actual/364] / [Actual/252] / [Not Applicable]
- (xiii) Determination Date(s) (Condition 4.10): ☐ 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]*

PROVISIONS RELATING TO DUAL CURRENCY NOTES

16. **Dual Currency Note Provisions:** [Applicable in respect of payments of [interest] [and] [principal]] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Settlement Currency: ☐ *(Use if Dual Currency Note provisions are applicable only to interest OR principal)*

[Interest: ☐]; Principal: ☐ *(Use if Dual Currency Note provisions are applicable to interest AND principal)*
 - (ii) Valuation Date[(s)]: ☐ *(Use if Dual Currency Note provisions are applicable only to interest OR principal)*

[Interest: ☐]; Principal: ☐ *(Use if Dual Currency Note provisions are applicable to interest AND principal)*
 - (iii) Settlement Rate Option: [FX and Currency Option Determination: *[insert relevant term from 4.5/4.6 of Annex A of the 1998 FX and Currency Option Definitions]*] / [Calculation Agent Determination of Settlement Rate] / [Issuer Discretion] / [Reference Dealer Poll] / [Rate Option Annex Determination – Settlement Option Rate: [AOA Rate / BWP Rate / ETB Rate / MWK Rate / MZN Rate / TZS Rate / UGX Rate / ZMW Rate]] *(Use if Dual Currency Note provisions are applicable only to interest OR principal)*

[Interest: [FX and Currency Option Determination: *[insert relevant term from 4.5/4.6 of Annex A of the 1998 FX and Currency Option Definitions]*] / [Calculation Agent Determination of Settlement Rate] / [Issuer Discretion] / [Reference Dealer Poll] / [Rate Option Annex Determination – Settlement Option Rate: [AOA Rate / BWP Rate / ETB Rate / MWK Rate / MZN Rate / TZS Rate / UGX Rate / ZMW Rate]]; Principal: [FX and Currency Option Determination: *[insert relevant term from 4.5/4.6 of Annex A of the 1998 FX and Currency Option Definitions]*] / [Calculation Agent Determination of Settlement Rate] / [Issuer Discretion] / [Reference Dealer Poll] / [Rate Option Annex Determination – Settlement Option Rate: [AOA Rate / BWP Rate / ETB Rate / MWK Rate / MZN Rate / TZS Rate / UGX Rate / ZMW Rate]]] (*Use if Dual Currency Note provisions are applicable to interest AND principal*)

PROVISIONS RELATING TO REDEMPTION

17. **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) of each Note: [[●] per Note of [●] Specified Denomination] / [Early Redemption Percentage: [●]] / [Not Applicable]
- FX Break Costs adjustments: [Applicable / Not Applicable]
- (iii) Redeemable in part: [Yes/No]
- (a) Minimum nominal amount to be redeemed: [●]
- (b) Maximum nominal amount to be redeemed: [●]
- (iv) Notice period (if other than as set out in the Conditions): [●] / [Not Applicable]
18. **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) of each Note: [[●] per Note of [●] Specified Denomination] / [Early Redemption Percentage: [●]] / [Not Applicable]
- FX Break Costs adjustments: [Applicable / Not Applicable]
- (iii) Notice period (if other than as set out in the Conditions): [●] / [Not Applicable]

- (iv) Specified Office of the [●] / [Not Applicable]
[Issuer/Paying Agent] (if
different from that set out in the
Conditions):
19. **Final Redemption Amount of each Note:**
- (i) Final Redemption Amount: [Formula: [Redemption – Pass Through (Standard)] / [Redemption – Pass Through (FX)] / [Redemption (Currency)] / [Redemption – CLN]] / [100 per cent. of each Calculation Amount] / [Not Applicable]
- Credit Linked Derivatives Annex: [Applicable/Not Applicable]
- Emerging Markets Equity Linked Derivatives Annex: Not Applicable
- (ii) Maximum Redemption Amount: [[●] per Calculation Amount] / [Not Applicable]
- (iii) Minimum Redemption Amount: [[●] per Calculation Amount] / [Not Applicable]
- (iv) Redemption – Pass Through (Standard): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Reference Obligation: [●]
- Specified Nominal Amount: [●]
- (This should be an aggregate amount and not a per note amount)*
- (v) Redemption – Pass Through (FX): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Reference Obligation: [●]
- Specified Nominal Amount: [●]
- (This should be an aggregate amount and not a per note amount)*
- Reference Obligation Currency: [●]
- Settlement Currency: [●]
- Valuation Date: [●]
- Settlement Rate Option: [FX and Currency Option Determination: *[insert relevant term from 4.5/4.6 of Annex A of the 1998 FX and Currency Option Definitions]*] / [Calculation Agent Determination of Settlement Rate] / [Issuer Discretion] / [Reference Dealer Poll] / [Rate Option Annex Determination – Settlement Option Rate: [AOA Rate / BWP Rate / ETB Rate / MWK Rate / MZN Rate / TZS Rate / UGX Rate / ZMW Rate]]

- (vi) Redemption (Currency): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- FX Rate (0): [●]
 - Reference Obligation Currency: [●]
 - Settlement Currency: [●]
 - Valuation Date: [●]
 - Settlement Rate Option: [FX and Currency Option Determination: *[insert relevant term from 4.5/4.6 of Annex A of the 1998 FX and Currency Option Definitions]* / [Calculation Agent Determination of Settlement Rate] / [Issuer Discretion] / [Reference Dealer Poll] / [Rate Option Annex Determination – Settlement Option Rate: [AOA Rate / BWP Rate / ETB Rate / MWK Rate / MZN Rate / TZS Rate / UGX Rate / ZMW Rate]]

20. **Early Redemption:**

- (i) Early Redemption Amount(s) of each Note payable on occurrence of a Specified Event (Condition 5.2) (if applicable), redemption for taxation reasons (Condition 5.3) or an event of default (Condition 10): [●] / [Not Applicable] / [Condition 5.4(a) shall apply]
- FX Break Costs adjustments: [Applicable / Not Applicable]
- (ii) Notice period in relation to a Tax Termination Event if different to that set out in Condition 5.3(b): [●] / [Not Applicable]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 6.6): [Yes] / [No] / [Not Applicable]
- (iv) Specified Event Linked Notes: [Yes (further details specified below)] / [No] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*
- Specified Event: [Credit Event] / [[and] Disruption Event]
 - Settlement Basis (following a Specified Event): [[Cash Settlement] / [Auction Settlement] / [Physical Settlement (asset(s) to be delivered: [●] [as determined in accordance with the [Credit Linked Derivatives Annex][Currency Annex]]] / [Settlement Method at Issuer Option – The following are applicable for election: [Auction Settlement] / [Cash Settlement] / [Physical Settlement (asset(s) to be delivered: [●] [as determined in accordance with the Credit Linked Derivatives Annex]] *(specify two)*]] *(Auction*

Settlement and Settlement Method at Issuer Option are only possible in respect of Credit Events)

(Use wording below if both Credit Event and Disruption Event are applicable)

[Credit Event: [Cash Settlement] / [Auction Settlement] / [Physical Settlement (asset(s) to be delivered: [●] [as determined in accordance with the Credit Linked Derivatives Annex)] / [Settlement Method at Issuer Option – The following are applicable for election: [Auction Settlement] / [Cash Settlement] / [Physical Settlement (asset(s) to be delivered: [●] [as determined in accordance with the Credit Linked Derivatives Annex)] (specify two)]

Disruption Event: [Cash Settlement] / [Physical Settlement (asset(s) to be delivered: [●] [as determined in accordance with the Currency Annex]]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-------|---|--|
| 21. | Form of Notes: | [Bearer Notes] / [Registered Notes] |
| (i) | Temporary or permanent Global Note/Certificate: | <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>Registered Notes:</p> <p>[Unrestricted Global Certificate exchangeable for unrestricted Certificates in the limited circumstances specified in the Unrestricted Global Certificate]</p> <p>[and]</p> <p>[Restricted Global Certificate exchangeable for Restricted Certificates in the limited circumstances specified in the Restricted Global Note Certificate]</p> |
| (ii) | Applicable TEFRA Exemption: | [C Rules] / [D Rules] / [TEFRA: Not Applicable] |
| (iii) | Transfer of Registered Notes only permitted with the prior written consent of the Issuer: | [Applicable] / [Not Applicable] |
| 22. | Financial Centre(s) (Condition 6.8): | [Not Applicable] [●] |

23. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes: [•]] (If yes, give details) / [No] / [Not Applicable]

24. Registrar: [•]

25. Calculation Agent: [ICBC Standard Bank Plc] / [•]

26. **CREDIT LINKED PROVISIONS** Provisions of the Credit Linked Derivatives Annex: [Applicable] / [Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i)	Reference Entity(ies):	<table><tr><td>Reference Entity:</td><td>Transaction Type:</td><td>Additional Provisions:</td><td>Physical Settlement Matrix:</td></tr><tr><td>[•]</td><td>[•] / [Not Applicable]</td><td>[•] / [Not Applicable]</td><td>[•] / [Not Applicable]</td></tr></table>	Reference Entity:	Transaction Type:	Additional Provisions:	Physical Settlement Matrix:	[•]	[•] / [Not Applicable]	[•] / [Not Applicable]	[•] / [Not Applicable]
Reference Entity:	Transaction Type:	Additional Provisions:	Physical Settlement Matrix:							
[•]	[•] / [Not Applicable]	[•] / [Not Applicable]	[•] / [Not Applicable]							
(ii)	LPN Reference Entity:	[Applicable] / [Not Applicable]								
(iii)	Financial Reference Entity Terms:	[Applicable] / [Not Applicable]								
(iv)	Subordinated European Insurance Terms:	[Applicable] / [Not Applicable]								
(v)	Standard Reference Obligation:	[Applicable] / [Not Applicable]								
(vi)	Seniority Level:	[Senior Level] / [Subordinated Level]								
(vii)	Reference Obligation(s):	[•] / [Not Applicable] / [As specified under paragraph [15(iii)/15(iv)/19(iv)/19(v)] above]								
(viii)	Applicable Credit Events:	[[Bankruptcy] / [Failure to Pay] / [Governmental Intervention] / [Obligation Acceleration] / [Obligation Default] / [Repudiation/Moratorium] / [Restructuring]]								

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Applicable Credit Events:
[•]	[Bankruptcy] / [Failure to Pay] / [Governmental Intervention] / [Obligation Acceleration] / [Obligation Default] / [Repudiation/Moratorium] / [Restructuring]

- Grace Period [Applicable] / [Not Applicable]

Extension: *(Use table below if there is more than one Reference Entity)*

[Reference Entity:	Grace Period Extension:
[•]	[Applicable] / [Not Applicable]

- Grace Period (applicable under paragraph (b) of the definition thereof): *[[•] calendar days] / [Not Applicable]*
(Use table below if there is more than one Reference Entity)

[Reference Entity:	Grace Period:
[•]	[[•] calendar days] / [Not Applicable]

- Payment Requirement: [U.S.\$ 1,000,000] / [Zero] / [•]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Payment Requirement:
[•]	[U.S.\$ 1,000,000] / [Zero] / [•]

- Restructuring Type: [No Restructuring] / [Restructuring] / [Modified Restructuring Applicable] / [Modified Modified Restructuring Applicable]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Restructuring Type:
[•]	[No Restructuring] / [Restructuring] / [Modified Restructuring Applicable] / [Modified Modified Restructuring Applicable]

- Multiple Holder Obligation: [Applicable] / [Not Applicable]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Multiple Holder Obligation:
[•]	[Applicable] / [Not Applicable]

- Modified Restructuring Maturity Limitation and Conditionally Transferable: [Applicable] / [Not Applicable]
(Use table below if there is more than one Reference Entity)

Obligation:

Entity)

[Reference Entity:	Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation:
[•]	[Applicable] / [Not Applicable]

- (ix) Scheduled Termination Date: **[•]**
- (x) Notice of Publicly Available Information applicable to Conditions to Settlement: [Yes] / [No]
- (xi) Settlement Method: [Auction Settlement] / [Cash Settlement] / [Physical Settlement] / [Settlement Method at Issuer Option – The following are applicable for election: [Auction Settlement] / [Cash Settlement] / [Physical Settlement] (*specify two*)]
- (xii) Fallback Settlement Method: [Cash Settlement] / [Physical Settlement] / [Fallback Settlement Method at Issuer Option]
- (xiii) Auction Settlement Amount: **[•]** / [As per Condition 5.2E(b)(ii)] / [Not Applicable]
- (xiv) Cash Settlement Amount: **[•]** / [As per Condition 5.2F(b)(ii)] / [Not Applicable]
- (xv) Valuation Time: **[•]** / [As per the Definition set out in the Credit Linked Derivatives Annex]
- (xvi) Quotation Amount: **[•]** / [Reference Entity Notional Amount]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Quotation Amount:
[•]	[•] / [Reference Entity Notional Amount]

- (xvii) Minimum Quotation Amount: **[•]** / [Not Applicable]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Minimum Quotation Amount:
[•]	[•] / [Not Applicable]

- (xviii) Physical Settlement Period: **[•]** Business Days] / [As per the Definition set out in the Credit Linked Derivatives Annex]
- (xix) Partial Cash Settlement Date: **[•]** / [As per the Definition set out in the Credit Linked Derivatives Annex]

(xx) Accrued Interest: [Exclude Accrued Interest] / [Include Accrued Interest] / [Not Applicable]

(xxi) Reference Price: [[•] per cent.] / [As per the Definition set out in the Credit Linked Derivatives Annex]

(xxii) Reference Entity Notional Amount: [•]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Reference Entity Notional Amount:
[•]	[•]

(xxiii) All Guarantees: [Applicable] / [Not Applicable]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	All Guarantees:
[•]	[Applicable] / [Not Applicable]

(xxiv) Substitution of Reference Entities under Condition 5.2K (Succession Event): [Applicable] / [Not Applicable]

(xxv) Participation CLN: [Applicable] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph)*

- Default Requirement: [•] / [Not Applicable]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Default Requirement:
[•]	[•] / [Not Applicable]

(xxvi) Credit Event Backstop Date: [Applicable] / [Not Applicable]

(xxvii) Adjustment of Limitation Dates: [Not Applicable] / [Subject to adjustment in accordance with the [Floating Rate / Following / Modified Following / Preceding] Business Day Convention]

(xxviii) Obligation Category: [Payment] / [Borrowed Money] / [Reference Obligations Only] / [Bond] / [Loan] / [Bond or Loan]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Obligation Category:

[•]	[Payment] / [Borrowed Money] / [Reference Obligations Only] / [Bond] / [Loan] / [Bond or Loan]
-----	--

(xxix) Obligation Characteristics:

[Not Subordinated] / [Specified Currency: [•] / [[and the] Standard Specified Currencies]] / [Not Sovereign Lender] / [Not Domestic Currency (Domestic Currency means [•]) / [Not Domestic Law] / [Listed] / [Not Domestic Issuance] / [Excluded Obligation(s): [•]] / [Additional Obligation(s): [•]]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Obligation Characteristics:
[•]	[Not Subordinated] / [Specified Currency: [•] / [[and the] Standard Specified Currencies]] / [Not Sovereign Lender] / [Not Domestic Currency (Domestic Currency means [•]) / [Not Domestic Law] / [Listed] / [Not Domestic Issuance] / [Excluded Obligation(s): [•]] / [Additional Obligation(s): [•]]

(xxx) Deliverable Category:

Obligation

[Payment] / [Borrowed Money] / [Reference Obligations Only] / [Bond] / [Loan] / [Bond or Loan]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Deliverable Obligation Category:
[•]	[Payment] / [Borrowed Money] / [Reference Obligations Only] / [Bond] / [Loan] / [Bond or Loan]

(xxxi) Deliverable Characteristics:

Obligation

[Not Subordinated] / [Specified Currency: [•] / [[and the] Standard Specified Currencies]] / [Not Sovereign Lender] / [Not Domestic Currency (Domestic Currency means [•]) / [Not Domestic Law] / [Listed] / [Not Domestic Issuance] / [Assignable Loan] / [Consent Required Loan] / [Transferable] / [Maximum Maturity: [•]] / [Accelerated or Matured] / [Not Bearer] / [Direct Loan Participation: Qualifying Participation Seller: [•]] / [Excluded Deliverable Obligation(s): [•]] / [Additional Deliverable Obligation(s): [•]] / [Not

Applicable]

(Use table below if there is more than one Reference Entity)

[Reference Entity:	Deliverable Obligation Characteristics:
[•]	[Not Subordinated] / [Specified Currency: [•] / [[and the] Standard Specified Currencies]] / [Not Sovereign Lender] / [Not Domestic Currency (Domestic Currency means [•]) / [Not Domestic Law] / [Listed] / [Not Contingent] / [Not Domestic Issuance] / [Assignable Loan] / [Consent Required Loan] / [Transferable] / [Maximum Maturity: [•]] / [Accelerated or Matured] / [Not Bearer] / [Direct Loan Participation: Qualifying Participation Seller: [•]] / [Excluded Deliverable Obligation(s): [•]] / [Additional Deliverable Obligation(s): [•]] / [Not Applicable]

27. CURRENCY PROVISIONS

Provisions of the Currency Annex: [Applicable] / [Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

PART A – Specified Terms for Disruption Fallbacks

- (i) Fallback Reference Price: [insert alternative Settlement Rate Option(s)]
- (ii) Event Currency: [Reference Currency] / [•]
- (iii) Reference Currency: [•] / [Not Applicable]
- (iv) Currency Reference Dealer Specified Time: [•] / [Not Applicable]
- (v) Local Asset: [•] / [Not Applicable]
- (vi) Physical Settlement Date: [[•] Business Days after the date of delivery of the Notice of Physical Settlement] / [Not Applicable]
- (vii) Latest Permissible Physical Settlement Date: [•] / [Not Applicable]
- (viii) Reference Dealers and their respective Specified Offices: [•] / [Not Applicable]
- (ix) Specified Amount: [•] / [Not Applicable]
- (x) Specified Company: [•] / [Not Applicable]

- (xi) Specified Rate: [Reference Currency [bid/offer] exchange rate] / [Average of the Reference Currency bid and offer exchange rates] / [Settlement Currency [bid/offer] exchange rate] / [Average of the Settlement Currency offer exchange rates] / [Official fixing rate] / [Not Applicable]
- (xii) Specified Time: [•] / [Not Applicable]
- (xiii) Valuation Date: [•], subject to adjustment in accordance with the [Floating Rate / Following / Modified Following / Preceding] Business Day Convention]
- (xiv) Relevant Affiliate(s): [•] / [Not Applicable]

PART B – Disruption Event Terms

Disruption Events

- (i) Applicable Disruption Events: [Settlement/Custodial Event] [Benchmark Obligation Default] [Dual Exchange Rate] [General Inconvertibility] [General Non-Transferability] [Governmental Authority Default] [Illiquidity] [Material Change in Circumstance] [Nationalisation] [Price Materiality] [Price Source Disruption] [Specific Inconvertibility] [Specific Non-Transferability] / [Not Applicable]
- (ii) Order of remedy of Disruption Events if other than that set out in the Currency Annex: [•] / [Not Applicable]

Disruption Fallbacks

- (i) Settlement/Custodial Event: [Assignment of Claim against Custodian - Benchmark Obligation: *[insert description of Benchmark Obligation]*] / [Not Applicable]
- (ii) Benchmark Obligation Default: [Local Asset Substitute – Gross - Benchmark Obligation(s): Specified Value: [outstanding principal balance (as valued on the Settlement Date)] / [the stated principal balance] / [the face value] / [the market value (as valued on the Settlement Date)] / [•]] / [Settlement Postponement: Maximum Days of Disruption: [•]] / [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Currency Substitute] / [Not Applicable]

Benchmark Obligation(s):

Primary Obligor: [•]

Type of Instrument: [•]

Currency of Denomination: [•]

Coupon: [•]

Maturity Date: [•]

BB Number: [●]

Face Value: [●]

- (iii) Dual Exchange Rate: [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable]
- (iv) General Inconvertibility: [Currency Substitute] / [Settlement Postponement: Maximum Days of Disruption: [●]] / [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable]
- (v) General Non-Transferability: [Currency Substitute] / [Settlement Postponement: Maximum Days of Disruption: [●]] / [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable]
- (vi) Governmental Authority Default: [Local Asset Substitute-Gross – Benchmark Obligation(s): *[insert description of Benchmark Obligation]*: Specified Value: [outstanding principal balance (as valued on the Settlement Date)] / [the stated principal balance] / [the face value] / [the market value (as valued on the Settlement Date)] / [●]] / [Settlement Postponement: Maximum Days of Disruption: [●]] / [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable]
- (vii) Illiquidity: [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable]
- Minimum Amount: [●] / [Not Applicable]
- Illiquidity Valuation Date (if applicable): [●] / [Not Applicable]
- (vii) Material Change in Circumstance: [Early Redemption] / [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Local Asset Substitute-Gross – Benchmark Obligation(s): *[insert description of Benchmark Obligation]*: Specified Value: [outstanding principal balance (as valued on the Settlement Date)] / [the stated principal balance] / [the face value] / [the market value (as valued on the Settlement Date)] / [●]] / [Not Applicable]
- (viii) Nationalisation: [Settlement Postponement: Maximum Days of Disruption: [●]] / [Assignment of Claim] / [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable]
- (ix) Price Materiality: [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable]

Primary Rate: [●] [*Specify rate for each Settlement Rate Option to which it applies*]

Secondary Rate: [●] [*Specify rate for each Settlement Rate Option to which it applies*]

Price Materiality Percentage: [●] per cent. [*Specify rate for each Settlement Rate Option to which it applies*]

- | | | |
|--------|-------------------------------|---|
| (x) | Price Source Disruption: | [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable] |
| (xi) | Specific Inconvertibility: | [Currency Substitute] / [Settlement Postponement: Maximum Days of Disruption: [●]] / [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not Applicable] |
| (xii) | | Minimum Amount: [●] / [Not Applicable] |
| (xiii) | Specific Non-Transferability: | [Currency Substitute] / [Settlement Postponement: Maximum Days of Disruption: [●]] / [Fallback Reference Price] / [Calculation Agent Determination of Settlement Rate] / [Not 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 Notes described herein pursuant to the U.S.\$3,500,000,000 Note Issuance Programme of ICBC Standard Bank Plc.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B — OTHER INFORMATION

1. Listing

- (i) Listing: [Irish Stock Exchange] / [Vienna Stock Exchange]
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on [the regulated market of the [Irish Stock Exchange] / [Vienna Stock Exchange]] with effect from [●]
- (iii) Estimate of total expenses related to admission to trading: [●]

2. Ratings

Ratings: The Notes will not be rated.

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 Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. Interests of Natural and Legal Persons Involved in the Issue

[So far as the Issuer 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: [●] / [General funding] / [Not Applicable]
(See ["Use of Proceeds"] wording in Base 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: [●] / [Not Applicable]
(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: [●] / [Not Applicable]

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/[●]] rates can be obtained from [Reuters/Bloomberg/[●]

]].]

8. **[Dual Currency Notes and other FX 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]

OPERATIONAL INFORMATION

9. [ISIN] / [CUSIP]: [●]
10. Common Code: [●]
11. Clearing System(s) and the relevant identification number(s): [Euroclear] / [.,][and] Clearstream] / [[and] DTC]
12. Delivery: Delivery [against/free of] payment
13. Names and addresses of additional Paying Agent(s) (if any): [Deutsche International Corporate Services (Ireland) Limited
6th Floor, Pinnacle 2
Eastpoint Business Park
Dublin 3
Ireland] / [●]

DISTRIBUTION

14. Method of distribution: Non-syndicated
15. Name of Dealer: ICBC Standard Bank Plc
16. Name of Manager(s): [●] / [Not Applicable]
17. Name of Distributor(s): [●] / [Not Applicable]
18. Name of placer(s): [●] / [Not Applicable]
19. Name of Stabilising Manager(s): [●] / [Not Applicable]

GENERAL

20. The aggregate principal amount of Notes issued has been translated into US dollars at the rate of [●], producing a sum of (for Notes not denominated in US dollars): [Not Applicable/[U.S.\$][●]]
21. (i) Contingent Notes for US federal income tax purposes: [Yes] / [No]
- (ii) Address to which a US Holder of Contingent Notes can submit a request for schedule of projected amounts of payments on Contingent Notes: [●] / [Not Applicable]

**FORM OF FINAL TERMS FOR EMERGING MARKETS EQUITY LINKED DERIVATIVE
NOTES**

ICBC STANDARD BANK PLC

U.S.\$3,500,000,000

Note Issuance Programme

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Notes]

Issue Price: [●] per cent.

Final Terms dated [●]

PART A — CONTRACTUAL TERMS

Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

[OPTION 1 (NORMAL ISSUANCE UNDER THE PROGRAMME ON THE BASIS OF THE TERMS AND CONDITIONS SET OUT IN THE BASE PROSPECTUS)

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 May 2015 [and the supplemental Base Prospectus dated [?]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended by Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation 23 of S.I. 324 of 2005 of Ireland and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at, and copies may be obtained from, the registered office of the Issuer which is 20 Gresham Street, London EC2V 7JE or at www.ise.ie.] [The Final Terms are also available for viewing at, and copies may be obtained from, the registered office of the Issuer.]

OPTION 2 (ISSUANCE ON THE BASIS OF TERMS AND CONDITIONS FROM EARLIER PROGRAMME DOCUMENTS INCORPORATED BY REFERENCE IN THE BASE PROSPECTUS)

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in the Base Prospectus.

Terms used herein shall be deemed to be defined as such for the purposes of the [date] Conditions (the "**Conditions**") incorporated by reference in the base prospectus dated [original date]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Base Prospectus dated [date]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are set forth in the base prospectus dated [original date] and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.]

[Any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]

[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.]

- | | | |
|----|-----------------------|------------------------|
| 1. | Issuer: | ICBC Standard Bank Plc |
| 2. | (i) Series Number: | [●] |
| | (ii) [Tranche Number: | [●]] |

- (iii) [Date on which the Notes become fungible: [Not Applicable / The Notes shall be consolidated to form a single series and be interchangeable for trading purposes with the [●] on [[●] / the Issue Date / exchange of temporary Global Note for interests in the permanent Global Note, as referred to in paragraph 19 below [which is expected to occur on or about [●]]].]
3. Specified Currency or Currencies: [●]
4. Additional Business Day Centres: [●] / [Not Applicable] (*Not needed if the Maturity Date is a fixed date*)
5. Aggregate Nominal Amount:
- (i) Series (total): [●]
- [This is the aggregate amount of the series, i.e. original issue plus fungible]*
- (ii) [of which Tranche [●]: [●]]
- [This is the amount of the fungible issue only]*
6. Issue Price: [●] per cent. of the Aggregate Nominal Amount
7. (i) Specified Denominations: [●]
- [[●] and integral multiples of [●] in excess thereof up to and including [●]. [No Notes will be issued with a denomination exceeding [●].]*
- (ii) Calculation Amount: [●]
8. Issue Date: [●]
9. ⁹ Maturity Date: [●] as adjusted pursuant to the definition of Maturity Date in paragraph 3 (*Definitions*) of the Emerging Markets Equity Linked Derivatives Annex
10. Interest Basis: Not Applicable
11. Type of Return: [Price Return][Total Return]
12. Redemption/Payment Basis: The Final Redemption Amount in respect of each Note will be determined in accordance with the Emerging Markets Equity Linked Derivatives Annex.
13. Put/Call Options: [Not Applicable]
- [Put]
- [Call]
- [(further particulars specified below)]*

PROVISIONS RELATING TO DUAL CURRENCY NOTES

14. Dual Currency Note Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

15. **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) of each Note: [[●] per Note of [●] Specified Denomination] / [Early Redemption Percentage: [●]] / [Not Applicable]
FX Break Costs adjustments: Not Applicable
- (iii) Redeemable in part: [Yes/No]
- (a) Minimum nominal amount to be redeemed: [●]
- (b) Maximum nominal amount to be redeemed: [●]
- (iv) Notice period (if other than as set out in the Conditions): [●] / [Not Applicable]
16. **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) of each Note: [[●] per Note of [●] Specified Denomination] / [Early Redemption Percentage: [●]] / [Not Applicable]
FX Break Costs adjustments: Not Applicable
- (iii) Notice period (if other than as set out in the Conditions): [●] / [Not Applicable]
- (iv) Specified Office of the [Issuer/Paying Agent] (if different from that set out in the Conditions): [●] / [Not Applicable]
17. **Final Redemption Amount of each Note:**
- (i) Final Redemption Amount: Emerging Markets Equity Linked Derivatives Annex: Applicable
- (ii) Maximum Redemption Amount: [[●] per Calculation Amount] / [Not Applicable]
- (iii) Minimum Redemption Amount: [[●] per Calculation Amount] / [Not Applicable]
18. **Early Redemption:**
- (i) Early Redemption Amount(s) of each Note payable on [●] / [Not Applicable]

occurrence of a Specified Event (Condition 5.2) (if applicable), redemption for taxation reasons (Condition 5.3) or an event of default (Condition 10):

FX Break Costs adjustments: Not Applicable

- (ii) Notice period in relation to a Tax Termination Event if different to that set out in Condition 5.3(b): [●] / [Not Applicable]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 6.6): Not Applicable
- (iv) Specified Event Linked Notes: No

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes: [Bearer Notes] / [Registered Notes]

- (i) Temporary or permanent Global Note/Certificate: **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]

Registered Notes:

[Unrestricted Global Certificate exchangeable for unrestricted Certificates in the limited circumstances specified in the Unrestricted Global Certificate]

[and]

[Restricted Global Certificate exchangeable for Restricted Certificates in the limited circumstances specified in the Restricted Global Note Certificate]

- (ii) Applicable TEFRA Exemption: [C Rules] / [D Rules] / [TEFRA: Not Applicable]
- (iii) Transfer of Registered Notes only permitted with the prior written consent of the Issuer: [Applicable] / [Not Applicable]

20. Business Day Convention: [Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention] / [Not Applicable]
21. Business Centre(s) (Condition 4.10): [●] / [Not Applicable]
22. Financial Centre(s) (Condition 6.8): [Not Applicable] [●]
23. Registrar: [●]
24. Calculation Agent: [ICBC Standard Bank Plc] / [●]
25. **EMERGING MARKETS EQUITY LINKED PROVISIONS** Provisions of the Emerging Markets Equity Linked Derivatives Annex: Applicable

(i) Determination Date: [●]

(ii) Scheduled Unwind Period: [●] Business Days

(This is the estimated period in which a Hypothetical Broker Dealer would be able to sell or unwind all of its Hedge Positions plus the settlement cycles for Shares on the Exchange and for conversion of any amounts into the Settlement Currency. It must not exceed the number of Business Days between the Determination Date and the Maturity Date.)

(iii) Figure for 'B' in the definition of Accruing Deduction Amount as defined in paragraph 3 (Definitions) of the Emerging Markets Equity Linked Derivatives Annex: [●] basis points

(iv) Figure for definition of Final Deduction Amount as defined in paragraph 3 (Definitions) of Emerging Markets Equity Linked Derivatives Annex: [●] basis points

(v) Shares/Basket of Shares: *(If Share Basket Note, provide details for each Share in the Basket)*

Share Issuer:	Number of Shares (rounded down to nearest integer):	ISIN:	Exchange:	Related Exchange(s):	Initial Share Price:
[●]	[if Share Note: [●] per Nominal Amount] [if Share Basket Note: [●] per Basket]	[●]	[●]	[●] / [All Exchanges]	[●]

(Exchanges are the stock exchanges on which the shares are listed. Related Exchanges are used, inter alia, for the purposes of the definitions of Exchange Business Day and Scheduled

Trading Day)

- If Share Basket Note, Number of Baskets: [[●] per Nominal Amount (rounded down to nearest integer)] / [Not Applicable]
- (vi) Settlement Currency: [The Specified Currency] / [●]
- (vii) Consequences of a Merger Event:
 - Share-for-Combined: [Redemption and Payment] / [Component Adjustment] / [Modified Calculation Agent Adjustment] / [Not Applicable]
 - Share-for-Other: [Redemption and Payment] / [Component Adjustment] / [Modified Calculation Agent Adjustment] / [Not Applicable]
 - Share-for-Share: [Redemption and Payment] / [Component Adjustment] / [Modified Calculation Agent Adjustment] / [Not Applicable]
- (viii) Tender Offer: [Applicable – applicable percentage threshold for definition of Tender Offer Date: [●] per cent.] / [Not Applicable]
- (ix) Consequences of a Tender Offer: [Applicable] / [Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
 - Share-for-Combined: [Redemption and Payment] / [Component Adjustment] / [Modified Calculation Agent Adjustment] / [Not Applicable]
 - Share-for-Other: [Redemption and Payment] / [Component Adjustment] / [Modified Calculation Agent Adjustment] / [Not Applicable]
 - Share-for-Share: [Redemption and Payment] / [Component Adjustment] / [Modified Calculation Agent Adjustment] / [Not Applicable]
- (x) Additional Disruption Events:
 - Hedging Disruption: [Applicable] / [Not Applicable]
 - Increased Cost of Hedging: [Applicable] / [Not Applicable]
- (xi) Change in Market Conditions Events: The following Change in Market Conditions Events are applicable: [Custodial/Broker Event] / [Change in Law Event] / [Change in Regulations Event] / [Market Disruption Event] / [Expropriation Event] / [Share Issuer Insolvency] / [Sovereign Event]

[LISTING AND ADMISSION TO TRADING APPLICATION]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the U.S.\$3,500,000,000 Note Issuance Programme of ICBC Standard Bank Plc.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B — OTHER INFORMATION

1. Listing

- (i) Listing: [Irish Stock Exchange] / [Vienna Stock Exchange]
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on [the regulated market of the [Irish Stock Exchange] / [Vienna Stock Exchange]] with effect from [●]
- (iii) Estimate of total expenses related to admission to trading: [●]

2. Ratings

Ratings The Notes will not be rated.

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 Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. Interests of Natural and Legal Persons Involved in the Issue

[So far as the Issuer 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: [●] / [General funding] / [Not Applicable]
- (See ["Use of Proceeds"] wording in Base 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: [●] / [Not Applicable]
- (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: [●] / [Not Applicable]

6. Performance of Share(s)

Information in respect of the past and future performance of the Share(s) may be obtained from [●].

OPERATIONAL INFORMATION

7. [ISIN] / [CUSIP]: [●]
8. Common Code: [●]

9. Clearing System(s) and the relevant identification number(s): [Euroclear] / [[,][and] Clearstream] / [[and] DTC]
10. Delivery: Delivery [against/free of] payment
11. Names and addresses of additional Paying Agent(s) (if any): [Deutsche International Corporate Services (Ireland) Limited
6th Floor, Pinnacle 2
Eastpoint Business Park
Dublin 3
Ireland] / [●]

DISTRIBUTION

12. Method of distribution: Non-syndicated
13. Name of Dealer: ICBC Standard Bank Plc
14. Name of Manager(s): [●] / [Not Applicable]
15. Name of Distributor(s): [●] / [Not Applicable]
16. Name of placer(s): [●] / [Not Applicable]
17. Name of Stabilising Manager(s): [●] / [Not Applicable]

GENERAL

18. The aggregate principal amount of Notes issued has been translated into US dollars at the rate of [●], producing a sum of (for Notes not denominated in US dollars): [Not Applicable/[U.S.\$][●]]
19. (i) Contingent Notes for US federal income tax purposes: [Yes] / [No]
- (ii) Address to which a US Holder of Contingent Notes can submit a request for schedule of projected amounts of payments on Contingent Notes: [●] / [Not Applicable]

GENERAL INFORMATION

The establishment of the Programme and issue of the Notes under the Programme was duly approved by a resolution of the Executive Committee of the Board of Directors of the Issuer passed on 6 February 2004. The most recent increase of the Programme size was duly approved by a resolution of the Executive Committee of the Board of Directors of the Issuer passed on 30 July 2008. The Issuer has obtained all necessary consents, approvals and authorisations under the laws of England in connection with the issue of the Notes and performance of its obligations under the Notes.

Except as disclosed in "*Business Description of ICBC Standard Bank Plc – Legal Proceedings*" on page 173 of this Base Prospectus, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Issuer and its consolidated subsidiaries taken together.

There has been no significant change in the financial or trading position of the Issuer which has occurred since 31 December 2014 and no material adverse change in the prospects of the Issuer since 31 December 2014.

The Issuer does not intend to provide to Noteholders any post-issuance information regarding the Notes.

The Notes in bearer form and the related Coupons (if any) will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the United States Internal Revenue Code".

Each Restricted Global Certificate and each Certificate issued in exchange for a beneficial interest in a Restricted Global Certificate will bear a legend applicable to purchasers who purchase the Registered Notes in the United States as described under "Transfer Restrictions".

KPMG LLP have audited, and rendered an unqualified audit report on, the accounts of the Issuer for the two years ended 31 December 2014. The consolidated, audited annual financial statements ended 31 December 2013 and 2014 (including any auditor's report thereon) of the Issuer are incorporated by reference in this Base Prospectus. The auditors are members of the Institute of Chartered Accountants.

It is expected that each Tranche of Notes which is to be admitted to the Official List and admitted to trading on the Irish Stock Exchange or the Vienna Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Global Note or Certificate or Notes initially representing the Notes of such Tranche.

For so long as Notes may be issued pursuant to this Base Prospectus and for so long as any listed Notes remain outstanding, the following documents will be available in electronic format, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and at the specified office of the Irish Paying Agent:

- (i) Memorandum and Articles of Association of the Issuer;
- (ii) the audited annual accounts of the Issuer for the two years ended 31 December 2013 and 31 December 2014;
- (iii) a copy of this Base Prospectus, supplemental base prospectus or any other document required or permitted to be published by the rules of the Irish Stock Exchange;
- (iv) each Final Terms for Notes which are listed and admitted to trading on the Irish Stock Exchange or the Vienna Stock Exchange;
- (v) the Deed of Covenant; and
- (vi) the Paying Agency Agreement.

For 12 months from the date of this Base Prospectus, this Base Prospectus will also be available at the website of the Central Bank.

It is expected by the Issuer that all Bearer Notes and Registered Notes will be accepted for clearance through Euroclear, Clearstream, Luxembourg or DTC. The address of Euroclear is 1 Boulevard du Roi Albert 11, B 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L 1855 Luxembourg. The address of DTC is 55 Water Street, New York, NY 10041-0099, United States of America.

The Common Code for each Bearer Series of Notes, together with the either the relevant ISIN number or CUSIP number for each Tranche of Registered Notes, will be contained in the Final Terms relating thereto.

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ISSUER

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