

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW**

**PRICING SUPPLEMENT**

The Pricing Supplement is dated 14 January 2015

**UBS AG,  
acting through its London Branch**

*Issue of USD 5,000,000 Leveraged Credit Linked Notes due 2020 linked to the Credit of a Basket of Reference Entities detailed in the Annex hereto*

*under the Euro Note Programme*

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Listing Particulars dated 24 June 2014, the Base Listing Particulars Supplement dated 25 August 2014 and the Base Listing Particulars Supplement dated 04 December 2014 which together constitute a base listing particulars (the "Base Listing Particulars") for the purposes of admission to trading on the Official List of the Irish Stock Exchange. This document (including the Schedule entitled the UBS Standard Linear Basket Credit-Linked Note Terms dated 13 November 2014 (the "Credit-Linked Note Terms")) constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Base Listing Particulars. If there is any inconsistency between this Pricing Supplement (excluding the Credit-Linked Note Terms) and the Credit-Linked Note Terms, this Pricing Supplement (excluding the Credit-Linked Note Terms) will prevail.

An investment in the Notes is subject to the credit risk of UBS AG and the actual and perceived creditworthiness of UBS AG may affect the market value of the Notes. See the section headed 'Risk Factors' below for further information.

No secondary market for the Notes currently exists, nor is one likely to develop. Noteholders should have the ability and intent to hold the Notes until their Maturity Date. It is the current practice (but not the legal obligation) of UBS AG and/or its affiliates ("UBS"), in respect of notes for which UBS is the arranger, to quote on request a live price, which it might pay/charge for early termination of any note of this type that it issues. A live unwind price may be affected by then-current market conditions, liquidity and market standard denomination. UBS is under no obligation to hold a price quoted for any length of time unless this is agreed at the time of giving the quote.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States and are being offered and sold outside the United States to non-US persons (as such terms are defined in Regulation S under the Securities Act ("Regulation S")) in reliance on the exemption from registration provided pursuant to Regulation S. The Notes (a) may not be offered, sold or otherwise transferred within the United States or to the account of any US Person (as defined in Regulation S under the Securities Act), and (b) may be offered, sold or otherwise transferred only to transferees that are Non-United States Persons (as defined by the Commodity Futures Trading Commission). Notes sold in reliance on Regulation S will initially be represented by interests in a single, permanent global unrestricted registered Note (each an "Unrestricted Global Note"), without Coupons or Talons, which will be deposited with a depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg. Interests in each such Unrestricted Global Note may be held only through Euroclear or Clearstream, Luxembourg. Investors may hold their interests in an Unrestricted Global Note directly through Euroclear or Clearstream, Luxembourg, if they are participants in such systems, or indirectly through organizations which are participants in such systems. Holders of interests in an Unrestricted Global Note may apply for definitive Registered Notes only in the limited circumstances set out in the Unrestricted Global Note.

References in the Conditions to the Pricing Supplement shall be deemed to refer to the terms set out below together with the Schedule and the Annex set out below.



## RISK FACTORS

*An investment in the Notes involves certain risks. Each potential purchaser of a Note should carefully consider the following factors prior to investing in the Notes. This section of this termsheet does not purport to be an extensive list of all possible risks associated with an investment in the Notes. Prior to entering into such a transaction each prospective purchaser should consult with its own legal, regulatory, tax, financial and accounting advisors to the extent it considers necessary, and make its own investment, hedging and trading decisions (including decisions regarding the suitability of an investment on the Notes) based upon its own judgment and advice from those advisers it considers necessary.*

*References in this section of this termsheet to “UBS” shall be deemed to be references to UBS AG, London Branch as Issuer, UBS AG, London Branch in its capacity as Nominee of the Issuer and Calculation Agent and UBS Limited as Dealer.*

### General

The risk factors set out in the Base Listing Particulars apply to this issue of Notes.

Prospective purchasers of the Notes should ensure that they:

- (a) Understand the nature of the Notes and the extent of their exposure to risk;
- (b) Have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Notes; and
- (c) Consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition.

Each prospective purchaser of Notes must determine, based on its own independent review and such legal, business and tax advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines, authorisations and restrictions (including as to its capacity) applicable to it, (iii) has been duly approved in accordance with all applicable laws and procedures and (iv) is a fit, proper and suitable investment for it, undertaken for a proper purpose.

### Risk Factors Relating to Credit-linkage

The Aggregate Nominal Amount of the Notes may be reduced following a Credit Event. The Notes are securities which are credit-linked to the Reference Entities and the obligations of such Reference Entities. Investors should note that 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 Determination Date has occurred in respect of any Reference Entity.

Neither the Issuer, its Nominee, the Arranger, the Dealer, the Calculation Agent nor any other party is required to provide any information to Noteholders at any time or from time to time regarding the Reference Entities or their obligations or as to the prospect or likelihood of the occurrence of a Credit Event or a Succession Event or to notify Noteholders of any resolution of any Credit Derivatives Determinations Committee that a Credit Event or a Succession Event has occurred. However, it is expected that certain resolutions of the relevant Credit Derivatives Determinations Committee pertaining to the determination of such events will be announced on ISDA's website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time in accordance with the Credit Derivatives Determinations Committees Rules, as amended from time to time.

Following a Credit Event Determination Date, interest payable in respect of the Notes will be reduced and the Redemption Amount payable in respect of the Notes will be reduced by the Principal Reduction Amount.

Each Note will be redeemed in full by the Issuer on the Maturity Date at a Redemption Amount per Specified Denomination equal to the Calculation Amount (as may be reduced from time to time following each Deleverage Trigger Event).

A Noteholder is exposed to the credit risk and general risks of the Reference Entities. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in tranch portfolio credit linked 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.

Noteholders should note that the Reference Entities to which the Notes are referenced may change from time to time as a result of the occurrence of any Succession Events and, if more than one successor Reference Entity is determined as a result of any such Succession Event, the Credit Exposure Amount for each successor Reference Entity shall be adjusted by dividing the Credit Exposure Amount of the original Reference Entity by the number of successor Reference Entities. The Calculation Agent is responsible for making determinations as to whether a Succession Event has occurred, provided that the Calculation Agent is not required to make any such determination if ISDA has announced that a Credit Derivatives Determination Committee has been convened for such purpose and if such Credit Derivatives Determination Committee has resolved to make such determination. Accordingly, the Issuer and Noteholders will be bound by any such determination of the relevant Credit Derivatives Determination Committee, whether or not their views may differ from that of the relevant Credit Derivatives Determination Committee.

Neither the Issuer nor any of its affiliates has made any representation whatsoever with respect to any Reference Entity, any Reference Obligation, any Obligation, any Valuation Obligation, any Underlying Obligor or any Underlying Obligation on which any Noteholder is relying or is entitled to rely. The Issuer and its affiliates are not responsible for any Reference Entity's public disclosure of information.

The Issuer and its affiliates and the Calculation Agent may deal in each Reference Obligation, Obligation, Valuation Obligation or Underlying Obligation and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity, any Underlying Obligor or any affiliate of a Reference Entity or an Underlying Obligor, or any other person or entity having obligations relating to a Reference Entity or any Underlying Obligor, and may act with respect to such business in the same manner as each of them would if the Notes did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity, any Underlying Obligor or the position of any Noteholder or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event).

The Issuer and its affiliates and the Calculation Agent may, whether by virtue of the types of relationships described herein or otherwise, at any time, be in possession of information in relation to a Reference Entity or any Underlying Obligor that is or may be material in the context of the issue of the Notes and that may or may not be publicly available or known to the Noteholder, and the Notes do not create any obligation on the part of the Issuer or its affiliates or the Calculation Agent to disclose to any Noteholder any such relationship or information (whether or not confidential).

No Reference Entity is involved in the issuance of the Notes in any way and has no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes. Any Reference Entity may, and is entitled to, take actions that will adversely affect the value of the Notes. The purchase price paid for the Notes is paid to the Issuer and not to any Reference Entity, and the Notes do not represent a direct investment in any Obligation of any Reference Entity or otherwise give the Noteholders any rights in the debt obligations of any Reference Entity. As an owner of Notes, a Noteholder will not have special voting rights or rights to receive distributions or any other rights that holders of debt obligations of any Reference Entity may have.

There is no guarantee, protection or assurance for purchasers of the Notes in respect of the credit or performance of any Reference Entity, Reference Obligation or Obligations. Neither the Issuer nor any of its affiliates makes any representation as to the future performance of the Notes either in absolute terms or relative to other investments.

The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in particular industry and changes in prevailing interest rates.

Some Reference Obligations and Valuation Obligations may have no, or only a limited, trading market. The liquidity of Reference Obligations and Valuation Obligations will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the relevant Reference Entity. Some or all of the Reference Obligations and Valuation Obligations may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event Determination Date occurs in respect of a Reference Entity, any resulting diminution in market value of the related Reference Obligation and/or Valuation Obligations could be further magnified by reason of such limited liquidity for that Obligation or that Reference Obligation in particular.

Any quotations used in the calculation of the Loss Amount or the Principal Reduction Loss Amount (where applicable) may be affected by factors other than the occurrence of the Credit Event. Such prices may vary widely from dealer to dealer and substantially between Valuation Dates. The Valuation Obligations selected, even absent a Credit Event, may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of a Credit Event, thereby adversely affecting any determination of the value of such obligation which in turn will impact on the Loss Amount and therefore the amount by which the outstanding principal amount of the Notes may be reduced. Following a Credit Event Determination Date, if Non-Auction Valuation applies, the Issuer or the Nominee of the Issuer is entitled to select a Valuation Obligation which has the lowest value in the market at the relevant time – providing such obligation satisfies certain specifications and limits for qualification as a Valuation Obligation.

Where an Auction Final Price Determination Date occurs, the Auction Final Price will be determined according to an auction procedure set out in the relevant Credit Derivatives Auction Settlement Terms, available on ISDA's website at [www.isda.org](http://www.isda.org) (or any successor website thereto). Noteholders should note that the relevant Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred, which obligations are to be valued and whether an Auction should take place in accordance with and as more fully described in the Credit Derivatives Determinations Committees Rules, as amended from time to time and available on ISDA's website at [www.isda.org](http://www.isda.org) (or any successor website thereto). Consequently, Noteholders will be bound by any such relevant decisions.

### ***Leveraged Investment and Exchange Option***

Noteholders should be aware that the Notes are exposed to the risks of a credit default linked to a Reference Entity and that its actual exposure to the Reference Entity is greater than the nominal amount of their Notes. Consequently, losses in relation to the Reference Entity will have a more pronounced and leveraged effect on the Notes, so that any losses suffered will be exacerbated by the factor of the leverage and that if market conditions change, the value of the Notes will be more volatile than if there was no leverage. Specifically, as a result of the “Deleverage Trigger Event” provisions set out above, the Notes may be redeemed early, and any payment to Noteholders may be of an amount less than their initial investment, subject to a minimum of zero. Noteholders may, provided that the entire outstanding Aggregate Nominal Amount of the Notes is held by the Current Noteholder, at their option choose to extend the term of their investment by exchanging their Notes in this case for an amount of Replacement Notes with a nominal amount greater than the nominal amount of their existing Notes. The Replacement Notes will be issued against prior payment of an amount equal to the increased nominal amount (equivalent to the Replacement Notes Consideration) by the Noteholders to the Issuer. Noteholders should be aware that, if they exercise their rights in respect of the Exchange Option, their exposure and potential losses have increased proportionately and that the effective Interest Rate Spread on the Replacement Notes will be a reduced fraction of the Interest Rate Spread of the Exchanged Notes.

Replacement Notes may only be issued once to the Noteholders, which means that from purchasing Notes with an Original Aggregate Nominal Amount of USD 5,000,000, it is possible for the Noteholders,

provided that a Deleverage Trigger Event occurs and if the Noteholders exercise their rights in respect of the Exchange Option, to hold notes (Notes and Replacement Notes) with an Aggregate Nominal Amount of USD 15,000,000. The Noteholders cannot, however, be obliged to exercise its rights in respect of the Exchange Option. Noteholders should note that, in effect, only the Current Noteholder may exercise the Exchange Option and hold Replacement Notes.

### ***Deleverage Trigger Event and Aggregate Nominal Amount***

*Following a Deleverage Trigger Event Date, if the Exchange Options is not exercised the Notes will redeem early and Noteholders will receive the Original Aggregate Nominal Amount less the Principal Reduction Amount. If the Aggregate Nominal Amount on the Deleverage Trigger Event Date is zero or negative, the Noteholders will receive no payment in respect of the redemption of the Notes.*

In respect of the Notes, the Issuer may have hedged the Notes by entering into one or more credit default swaps.

Upon the occurrence of a Deleverage Trigger Event and the failure to exercise its rights in respect of the Exchange Option by the Current Noteholder, the Issuer may need to terminate all of its hedging arrangements, including, amongst others, such credit default swap(s).

The fact that the price of (a) entering into or terminating a credit default swap and (b) determining the value of the credit default swaps on the basis of a larger notional exposure (due to the leverage effect of the Notes), may adversely affect the price and value of such credit default swap(s) and consequently may adversely affect the Principal Reduction amount which in turn, may adversely affect the Aggregate Nominal Amount.

The determination of prices and values relating to the credit default swap(s) will also depend on, amongst other things, the liquidity in the market place with respect to transactions similar to the credit default swap(s). A low level of liquidity will have an adverse affect on the prices and values of the affected credit default swap(s), which will have an adverse affect on the Principal Reduction Amount and/or the Aggregate Nominal Amount.

No assurance can be given that the conditions giving rise to price fluctuations and limited liquidity affecting transactions similar to the credit default swap will not occur, continue or become acute at any time during the term of the Notes. During periods of limited liquidity and higher price volatility, the ability to enter into or terminate credit default swap(s) at an advantageous price or time may be impaired. Such illiquidity is likely to adversely affect the Deleverage Reduction Amount and/or the Aggregate Nominal Amount.

Any adverse effect on the Principal Reduction Amount will increase the potential for the occurrence of a Deleverage Trigger Event.

Any adverse effect on the Realisation Market Value will adversely affect the Principal Reduction Amount, which means the Redemption Amount payable to the Noteholders due to the occurrence of a Deleverage Trigger Event shall be less.

### **Secondary market**

No secondary market for the Notes currently exists, nor is one likely to develop. Noteholders should have the ability and intent to hold the Notes until their Maturity Date.

### **Changes in Tax Law**

There can be no assurance that, as a result of any change in any applicable law, rule or regulation or interpretation thereof, the payments on the Notes might not in the future become subject to withholding tax, or in respect of Notes being subject to withholding tax, being subject to withholding tax at an increased rate. In the event that the Issuer is, or reasonably expects to be required to pay Additional Amounts in respect of Taxes, the Issuer may redeem the Notes at the Tax Redemption Amount at any time on notice to

the Noteholder (the date of giving notice being the Tax Redemption Date). The Tax Redemption Amount is the fair market value of the Notes on the fifth Business Day before the Tax Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its absolute discretion. The Tax Redemption Amount is not capital protected.

### **Legality of Purchase**

UBS has no and assumes no responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

### **Amendment to Credit-Linked Note Terms**

Noteholders should note that the Issuer has the right to amend the terms of the Notes without the consent of the Noteholders, as more fully described in the terms of the Notes, if the 2014 ISDA Credit Derivatives Definitions published by ISDA are amended or supplemented.

### **Additional Disclosures:**

**This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which this termsheet relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this termsheet. UBS's trading and/or hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed. UBS has policies and procedures designed to minimise the risk that officers and employees are influenced by any conflicting interest or duty and that confidential information is improperly disclosed or made available.**

**UBS may have paid a fee to a third party introducer or broker in relation to this transaction. In certain circumstances UBS may sell Notes to dealers and other financial institutions at a discount to the issue price or rebates to them for their own account some proportion of the issue price. Further information is available on request.**

**Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Without limiting the generality of the previous sentence, due to the uncertain tax treatment of the Notes, if you are a US tax payer that is not a US person (as defined under Regulation S under the US Securities Act) you are urged to consult with your own tax advisors to determine the appropriate characterisation of the Notes for US federal income tax purposes. Please contact UBS for any additional information that you may require in making your determination. Save as otherwise expressly agreed in writing, UBS is not acting as your financial adviser or fiduciary in any transaction.**

1. Issuer: UBS AG, acting through its London branch
2. (i) Series Number: 13309  
(ii) Tranche Number: 1  
(iii) Date on which the Notes become fungible: Not Applicable
3. Currency: US Dollars (“USD”)
4. Aggregate Nominal Amount: USD 5,000,000 (the “**Initial Aggregate Nominal Amount**”), subject to adjustment in accordance with the provisions below entitled Provisions relating to Deleverage Trigger Event and Reduction of Aggregate Nominal Amount following a Deleverage Trigger Event, which provides that the Aggregate Nominal Amount may be reduced from time to time as of the Principal Reduction Date. The Aggregate Nominal Amount is subject to a minimum of zero.
5. Issue Price: 100 per cent. of the Initial Aggregate Nominal Amount.
6. (i) Specified Denominations: USD 150,000 and integral multiples of USD 10,000 thereafter.  
(ii) Calculation Amount: With respect to each Note, an amount equal to the Aggregate Nominal Amount divided by the number of Notes (being a number equal to the Initial Aggregate Nominal Amount of the Notes, other than any Notes which have been repurchased and cancelled, divided by the Specified Denomination).  
(iii) Leverage Factor: 3.00, (the “**Initial Leverage Factor**”), subject to a reduction to 1.00 following the exercise of the Exchange Option.
7. (i) Issue Date: 22 December 2014  
(ii) Interest Commencement Date: Issue Date
8. Maturity Date: As specified in item 22 (Provisions relating to Redemption).
9. Interest Basis: Reference Rate + Interest Rate Spread in respect of:
  - (a) the Initial Aggregate Nominal Amount; less
  - (b) the Credit Exposure Amount of any Affected Reference Entities divided by the Initial Leverage Factor;

subject to the exercise of the Exchange Option as set out below, where “**Interest Rate Spread**” means 5.90 per cent.

Interest shall accrue from and including the Issue Date to but excluding the first Interest Payment Date in the first Interest Period, and from and including each Interest Payment Date to but excluding the following Interest Payment Date in each subsequent Interest Period



(together the “**Interest Periods**”).

If a Deleverage Trigger Event occurs Interest accrues from and including the Interest Payment Date immediately preceding the Deleverage Trigger Event Date or, if none, the Issue Date, to and including the Deleverage Trigger Event Date and shall be paid to Noteholders on the Principal Reduction Date if no Exchange Option is exercised, or on the first Interest Payment Date under any Replacement Notes otherwise; provided that if the Deleverage Trigger Event Date occurs prior to the Issue Date, no Interest shall accrue or be payable.

The Reference Rate is fixed at 11.00am London time two London Business Days prior to the start of each Interest Period by reference to Reuters Page ‘LIBOR01’ or any successor page as determined by the Calculation Agent. There will be no interpolation in respect of the first long Interest Period.

10.	Redemption/Payment Basis:	As specified in item 22 ( <i>Provisions relating to Redemption</i> )
11.	Change of Interest or Redemption/Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Status of the Notes:	Senior
14.	Method of distribution:	Non syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15.	Fixed Rate Note Provisions:	Not applicable
16.	Floating Rate Note Provisions:	Applicable
(i)	Specified Period:	Not Applicable
(ii)	Interest Payment Dates:	05 January, 05 April, 05 July and 05 October in each year, commencing on and including 05 April 2015 to and including the Scheduled Maturity Date, subject to adjustment in accordance with the Business Day Convention.

#### **Occurrence of a Potential Credit Event or a Credit Event Determination Date**

If the Calculation Agent determines in its sole and absolute discretion that a Potential Credit Event has occurred with respect to a Reference Entity on an Interest Payment Date (other than an Interest Payment Date falling on the Scheduled Maturity Date (in relation to which payment of interest may be postponed pursuant to the Potential Credit Event Extension provision)), then no amount of interest otherwise payable on such Interest Payment Date (the “**Relevant Interest Payment Date**”) with respect to the portion of the Notes equal to such

Reference Entity's Reference Entity Aggregate Nominal Amount in the absence of such Potential Credit Event shall be due on such Relevant Interest Payment Date.

In the event that a DC No Credit Event Announcement occurs following the Calculation Agent's determination that a Potential Credit Event occurred with respect to a Reference Entity on a Relevant Interest Payment Date or the Calculation Agent determines that such Potential Credit Event is not a Credit Event, the amount of interest that would have been payable on the Relevant Interest Payment Date(s) with respect to the portion of the Notes equal to such Reference Entity's Reference Entity Aggregate Nominal Amount in the absence of such Potential Credit Event shall be payable on the Deferred Interest Payment Date and no additional amount shall be due in respect of any such postponement.

If a Credit Event Determination Date occurs with respect to a Reference Entity following a Relevant Interest Payment Date, no further interest will be calculated or paid with respect to the portion of the Notes equal to such Reference Entity's Reference Entity Aggregate Nominal Amount from the Interest Payment Date preceding such Relevant Interest Payment Date or, if none, the Issue Date and any failure to pay such interest does not constitute an Event of Default by the Issuer.

If a Credit Event Determination Date occurs following a Relevant Interest Payment Date, no further interest will be calculated or paid with respect to the Notes from such Relevant Interest Payment Date or, if none, the Issue Date and any failure to pay such interest does not constitute an Event of Default by the Issuer.

**"Deferred Interest Payment Date"** means the day falling five Business Days following the later to occur of (i) the DC No Credit Event Announcement; and (ii) the date of Calculation Agent's determination that the Potential Credit Event is not a Credit Event, as applicable.

(iii)	Business Day Convention:	Following Business Day Convention
(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination/
(v)	Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	UBS AG, London Branch
(vi)	If ISDA Determination:	Not Applicable
(vii)	if Screen Rate Determination:	
(a)	Reference Rate:	3 month USD LIBOR
(b)	Interest Determination Date:	11.00am London time two London Business Days prior to the start of each Interest Period

	(c) Relevant Screen Page:	Reuters Page 'LIBOR01' or any successor page as determined by the Calculation Agent
(viii)	Margin(s):	Interest Rate Spread
(ix)	Minimum Rate of Interest:	Not Applicable
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/360, Adjusted
(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on floating Rate Notes, if different from those set out in the Conditions and the Agency Agreement:	Not Applicable
17.	Zero Coupon Note Provisions:	Not applicable
18.	Index/Credit-Linked Note Provisions:	Not applicable
19.	Dual Currency Note Provisions:	Not applicable

#### **CREDIT RELATED PROVISIONS**

20.

(i)	Reference Entity:	Each entity detailed in the Annex hereto and any Successor(s) thereto determined pursuant to and subject as provided in Part 3 of the Credit-Linked Note Terms.
(ii)	Reference Obligation:	With respect to each Reference Entity, as specified in the Annex hereto.
(iii)	Seniority Level:	With respect to each Reference Entity, as specified in the Annex hereto.
(iv)	Transaction Type:	With respect to each Reference Entity, as specified in the Annex hereto.
(v)	Credit Event:	In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
(vi)	All Guarantees:	In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
(vii)	Financial Reference Entity Terms:	In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
(viii)	Obligation Category:	In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
(ix)	Obligation Characteristics:	In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit

Derivatives Physical Settlement Matrix.

(x)	Deliverable Obligation Category:	In relation to the Affected Reference Entity for which the Loss Amount is being calculated,, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
(xi)	Deliverable Obligation Characteristics:	In relation to the Affected Reference Entity for which the Loss Amount is being calculated, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
(xii)	Publicly Available Information:	Applicable unless specified as being Not Applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
(xiii)	Grace Period Extension:	In relation to each Reference Entity, as specified as being applicable to the relevant Transaction Type in the Credit Derivatives Physical Settlement Matrix.
(xiv)	Trade Date:	5 December 2014
(xv)	Credit Exposure Amount:	With respect to each Reference Entity, as specified in the Annex hereto.
(xvi)	Affected Reference Entity:	A Reference Entity for which a Credit Event Determination Date has occurred.
(xvii)	Valuation Portfolio:	Valuation Obligations with an aggregate outstanding principal balance (excluding accrued but unpaid interest) equal to or less than the Credit Exposure Amount of the Affected Reference Entity.
(xvii)	Amendments to Credit-Linked Note Terms:	If (i) any Credit Derivatives Determinations Committee or any other governing ISDA committee (or successor thereto) amends or supplements the 2014 ISDA Credit Derivatives Definitions as published by ISDA or any ancillary documents thereto (including, without limitation, the Credit Derivatives Physical Settlement Matrix) (such definitions together with any ancillary documents, as may be amended or supplemented from time to time, the “ <b>2014 ISDA Credit Derivatives Definitions</b> ”) or (ii) the Issuer or any affiliated entity that is hedging the Issuer’s obligations under the Notes adheres to a protocol published by ISDA amending or supplementing the 2014 ISDA Credit Derivative Definitions, that the Calculation Agent reasonably determines in good faith, in the case of either (i) or (ii), has impact on credit default swaps and other transactions customarily governed by the 2014 ISDA Credit Derivatives Definitions (“ <b>Customary Credit Derivative Transactions</b> ”) and are omitted from, or inconsistent with, the terms and conditions of the Notes (any such amendment, an “ <b>ISDA Amendment</b> ”), the Calculation Agent shall arrange for documentation to be prepared in order to make such amendments to the terms and conditions of the Notes that it determines in good faith are necessary in order to give effect to the ISDA Amendment in a manner that is consistent with changes incorporated into, or made to, Customary Credit Derivative Transactions as a consequence of such ISDA Amendment. The Calculation Agent will give prompt

written notice to the Issuer of such amendments to the terms and conditions of the Notes and the Issuer will amend the terms of the Notes to be effective as of the date specified by the Calculation Agent. The Issuer shall give notice of such amendments to the Agent (if the Notes are in bearer form) or the Registrar (if the Notes are in registered form) for onward transmission to the Noteholders in accordance with Condition 13.

## PROVISIONS RELATING TO DELEVERAGE TRIGGER EVENT

21. (i) Deleverage Trigger Event:

A Deleverage Trigger Event shall occur:

- (i) following a Credit Event Determination Date; or
- (ii) if at any time the market value of the Notes, for the avoidance of doubt including accrued but unpaid interest, falls below 75 per cent as determined by the Calculation Agent acting in good faith and a commercially reasonable manner; or
- (iii) if at any time the Trigger Spread Level of the Notes, is greater than or equal to the Threshold Spread indicated in the table below:

	Year 1	Year 2	Year 3	Year 4	Year 5
Threshold Spread (basis points)	408	418	518	618	718

Where:

“**Year 1**” means the period from and including the Issue Date to but excluding 05 January 2016;

“**Year 2**” means the period from and including the 05 January 2016 to but excluding the 05 January 2017;

“**Year 3**” means the period from and including the 05 January 2017 to but excluding the 05 January 2018;

“**Year 4**” means the period from and including the 05 January 2018 to but excluding the 05 January 2019;

“**Year 5**” means the period from and including the 05 January 2019 to and including the Maturity Date.

“**Trigger Spread Level**” means at any time the weighted average of the Reference Credit Default Swap Spreads of all the Reference Entities. The Trigger Spread Level shall be determined by the Calculation Agent acting in good faith and a commercially reasonable manner.

The date on which any Deleverage Trigger Event occurs shall be the “**Deleverage Trigger Event Date**”.

So long as the telephone and electronic mail details of the then Current Noteholders are known to the Issuer; upon the occurrence of a Deleverage Trigger Event

Date, the Issuer shall, by telephone followed by electronic mail confirmation, notify the Noteholders of the occurrence of such Deleverage Trigger Event on the Deleverage Trigger Event Date.

- (ii) Reduction of Aggregate Nominal Amount Following a Deleverage Trigger Event:

If the Calculation Agent determines that a Deleverage Trigger Event has occurred, then the Issuer shall trigger the principal reduction terms. The Aggregate Nominal Amount of the Notes shall be reduced by an amount equal to the Principal Reduction Amount on the Principal Reduction Date.

The “**Principal Reduction Amount**” shall be equal to:

- (i) if the Exchange Option has been exercised by the Current Noteholder, the Credit Exposure Amount of the Affected Reference Entities, if any; or
- (ii) if the Exchange Option has not been exercised by the Current Noteholder, the Principal Reduction Loss Amount.

Where the “**Principal Reduction Loss Amount**”, as determined by the Calculation Agent, means the aggregate costs that would be incurred upon the termination, unwinding or offsetting as a result of a Deleverage Trigger Event:

(a) any hedging arrangement in connection with the Notes, including but not limited to, any unwind fees or charges, including accrued and unpaid payments due to the Issuer, in respect of any Relevant CDS Contracts including any contract attributable to the Affected Reference Entity, if any. Such cost shall be determined by reference to the relevant Initial Credit Default Swap Spread and the relevant Reference Credit Default Swap Spread, provided that any Full Quotations received for the purposes of determining the Reference Credit Default Swap Spread shall be converted to a spread in line with prevailing market standards by the Calculation Agent at its sole and absolute discretion.

For the avoidance of doubt, the Calculation Agent shall not be obliged to enter into a Relevant CDS Contract for the purposes of determining the Principal Reduction Loss Amount.

Where “**Initial Credit Default Swap Spread**” is as set out in the Annex for each Reference Entity, quoted as a fixed spread expressed as an amount of basis points per annum.

(b) Break Cost, as defined below.

Where “**Break Cost**” mean the costs, charges, fees, howsoever described, incurred by the Issuer with respect to any of its term funding transactions that were entered into in connection with the issuance of the Notes, including but not limited to, any funding transaction entered into, by the Issuer with UBS AG, London Branch acting as deposit provider, as if UBS AG, London Branch was an external third party deposit provider. Such

Break Cost will include any accrued and unpaid payments due to the Issuer with respect to the aforementioned transactions. For the avoidance of doubt, the Calculation Agent shall not be obliged to enter into any funding transaction for the purposes of determining the Break Cost.

The Issuer shall notify the Calculation Agent of the date on which the Principal Reduction Amount is to be determined, provided that any such date shall occur on or prior to the Principal Reduction Date.

All such costs above shall be determined by the Calculation Agent acting in good faith and a commercially reasonable manner.

(iii) Principal Reduction Date:

The third Business Day following the related Deleverage Trigger Event Date.

(iv) Reference Credit Default Swap Spread:

Reference Credit Default Swap Spread means, in respect of a Relevant CDS Contract and with respect to the amounts that would be payable by the credit protection buyer to the credit protection seller under such Relevant CDS Contract (including any Initial Payment (as defined in Section 12.1 of the 2014 ISDA Credit Derivatives Definitions), on the basis that all such payable amounts are, for the purpose of this definition, determined on a running basis), a fixed spread expressed as an amount of basis points per annum of the notional amount of such Relevant CDS Contract, according to the then prevailing market standards or practices, determined in accordance with the below.

The Calculation Agent shall attempt to obtain Full Quotations from at least 3 Dealers at 11am London time on any day the Calculation Agent considers may be a Deleverage Trigger Event Date. The Reference Credit Default Swap Spread shall be the Best Quotation. If the Calculation Agent does not receive at least 1 Full Quotation before 2pm, then the Reference Credit Default Swap Spread will be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

**“Dealer”** means a dealer in Relevant CDS Contracts for which Quotations are to be obtained, as selected by the Calculation Agent. For the avoidance of doubt, UBS AG may act as a dealer.

**“Full Quotation”** means each firm executable offer quotation obtained from a Dealer (for the avoidance of doubt the Dealer will be the seller of Protection) at 11:00 am London time, to the extent reasonably practicable, for the Relevant CDS Contract.

**“Best Quotation”** means the lowest firm offer quotation executable by the Calculation Agent obtained from Dealers at 11:00 am London time, to the extent reasonably practicable.

(v) Relevant CDS Contract:

Relevant CDS Contract means a single-name credit derivatives transaction on market standard terms that

would be confirmed pursuant to a confirmation under the 2014 ISDA Credit Derivatives Definitions, which adopts the elections specified as applicable to the relevant Transaction Type, as set out in the Annex for each Reference Entity, (or if such Transaction Type is re-named or ceases to exist, any relevant re-named or replacement Transaction Type howsoever described) in the latest Credit Derivatives Physical Settlement Matrix published by ISDA on or before the Trade Date of such single-name credit derivatives transaction (as specified in such transaction), which would be entered into on the following terms (and for the avoidance of doubt, the Calculation Agent shall not be obliged to actually enter into a Relevant CDS Contract for the purposes of determining the Reference Credit Default Swap Spread):

- (i) the Reference Entity shall be the Reference Entity and any Successor(s);
- (ii) the notional amount of the Relevant CDS Contract shall be equal to the Credit Exposure Amount of such Reference Entity; and
- (iii) the Scheduled Termination Date shall be 20 December 2019 or such other date as determined by the Calculation Agent acting in good faith and a commercially reasonable manner

(vi) Exchange Option:

The Current Noteholder, at its option, may by written notice to be received by the Calculation Agent no later than 10 am London time on the Business Day following the Deleverage Trigger Event Date (the “**Cut-off Date**”), elect to exchange its Notes for Replacement Notes to be issued by the Issuer and pay to the Principal Paying Agent the Replacement Notes Consideration.

In the event that the Current Noteholder elects to exchange its Notes for Replacement Notes (the “**Exchange Option**”), then no later than the next Business Day following the Cut-off Date (the “**Replacement Notes Consideration Delivery Date**”), the Current Noteholder must: (i) deliver to the Principal Paying Agent its entire holding of Notes (“**Exchanged Notes**”, as defined below); and (ii) pay the Replacement Notes Consideration to the Principal Paying Agent.

The Principal Paying Agent shall notify and confirm to the Issuer no later than the next Business Day following the Replacement Notes Consideration Delivery Date that it has: (i) taken delivery of the Exchanged Notes; and (ii) received payment of the Replacement Notes Consideration by the Current Noteholder (such notice, the “**Replacement Notes Consideration Notice**”).

Provided the Issuer has received the Replacement Notes Consideration Notice, then on the 21st Business Day after the Cut-off Date, the Issuer will issue to the Current Noteholder, the Replacement Notes (such 21th Business Day after the Cut-off Date, the “**Exchange Date**”).

If for any reason, the Current Noteholder fails to deliver its Notes to the Principal Paying Agent and/or pay the



Replacement Notes Consideration on the Replacement Notes Consideration Delivery Date and the Principal Paying Agent notifies and confirms to the Issuer of any such failure, then such Notes will be redeemed early, in accordance with the provisions above, on the Principal Reduction Date.

For the avoidance of doubt, the Exchange Option may only be exercised by the Current Noteholder, holding 100% of the outstanding Aggregate Nominal Amount of the Notes.

- (vii) Exchanged Notes: Shall mean the Notes following the occurrence of a Deleverage Trigger Event.
- (viii) Current Noteholder: The Noteholder holding 100% of the outstanding Aggregate Nominal Amount of the Notes (such holding to be evidenced by a statement of holding or such other evidentiary document in a form satisfactory to the Calculation Agent).
- (ix) Replacement Notes Consideration: As calculated pursuant to the following formula:  
  

$$\text{Original Aggregate Nominal Amount} * (\text{Original Leverage Factor} - 1)$$
- (x) Replacement Notes: Notes with the same terms as those delivered by the relevant Noteholder, that is the Exchanged Notes, save that:
  - (i) the aggregate nominal amount of the Replacement Notes, (the "**Replacement Note Aggregate Nominal Amount**") shall be:
    - (a) the Original Aggregate Nominal Amount of the Exchanged Notes disregarding the provisions relating to Reduction of Aggregate Nominal Amount Following a Deleverage Trigger Event; plus
    - (b) the Replacement Notes Consideration; less
    - (c) the Credit Exposure Amount of the Affected Reference Entities, if any.
  - (ii) if a Deleverage Trigger Event has occurred following a Credit Event Determination Date, a "**Recovery Payment**" shall be made under the Replacement Notes, equal to the Auction Final Price (or any amount calculated pursuant to the Fallback Redemption Method as the case may be) multiplied by the Credit Exposure Amount with respect to the Affected Reference Entity, three Business Days following the determination of the Auction Final Price.
  - (iii) the Interest Rate Spread on the Replacement Notes will be calculated pursuant to the following formula:
    - i.  $\text{Interest Rate Spread} * (1 / \text{Original Leverage Factor})$

- ii. Interest under the Replacement Notes shall accrue from and including the Exchange Date to but excluding the Interest Payment Date immediately following the Exchange Date in the relevant Interest Period, and from and including each Interest Payment Date to but excluding the following Interest Payment Date in each subsequent Interest Period (together the “**Replacement Note Interest Periods**”);
- (iv) the Leverage Factor shall thereafter be 1.00;
- (v) the Credit Exposure Amount of the Affected Reference Entity, if any, shall be deemed to be zero;
- (vi) provisions above entitled Provisions relating to Deleverage Trigger Event and Reduction of Aggregate Nominal Amount Following a Credit Event shall cease to apply; and
- (vii) in respect of any Reference Entity for which a Credit Event Determination Date has occurred after the Deleverage Event Trigger Date, a portion of each Replacement Note, equal to the relevant Credit Exposure Amount divided by the sum of all Credit Exposure Amounts, shall be redeemed by payment of the Auction Redemption Amount, or, as the case may be, Cash Redemption Amount (each as determined in accordance with the Credit-Linked Note Terms). For the avoidance of doubt, if a Credit Event Determination Date occurs prior to the Issue Date of the Replacement Notes, the redemption of the relevant portion of the Replacement Notes shall happen as soon as reasonably practicable on or after the Issue Date of the Replacement Notes.

## PROVISIONS RELATING TO REDEMPTION

22. Maturity Date: 5 January 2020 (the “**Scheduled Maturity Date**”), subject if applicable to Potential Credit Event Extension, Grace Period Extension and Repudiation/Moratorium Extension and provided that
- (i) upon the occurrence of a Deleverage Trigger Event, the Scheduled Maturity Date shall be the Principal Reduction Date if no Exchange Option has been exercised; and
  - (ii) if the Recovery Payment, if any, under any Replacement Notes has not been determined three Business Days prior to

the Scheduled Maturity Date, then the Maturity Date shall be deemed to be the date three Business Days after the determination of the relevant Recovery Payment.

**Noteholders' attention is drawn to the fact that due to the operation of the terms relating to Replacement Notes there may be a considerable period of time following a Credit Event Determination Date before the Recovery Payment, if any, is determined.**

- |       |  |  |
|-------|--|--|
| (i)   | Redemption Amount per Calculation Amount:  | <p>With respect to a Reference Entity in respect of which a Credit Event Determination Date has not occurred, an amount equal to the Calculation Amount multiplied by a percentage represented by such Reference Entity's Initial Reference Entity Aggregate Nominal Amount/ Initial Aggregate Nominal Amount.</p> <p>If a Credit Event Determination Date has occurred with respect to a Reference Entity, a portion of the Notes equal to such Reference Entity's Reference Entity Aggregate Nominal Amount shall be redeemed in accordance with the method specified under Credit Event Redemption below.</p> |
| (ii)  | Reference Entity Aggregate Nominal Amount: | <p>An amount equal to the Initial Aggregate Nominal Amount divided by five (the "<b>Initial Reference Entity Aggregate Nominal Amount</b>"); provided that if the Aggregate Nominal Amount increases due to a further issue of Notes or decreases due to a repurchase and cancellation of Notes, the Reference Entity Aggregate Nominal Amount shall be increased or reduced proportionately.</p>  |
| (iii) | Credit Event Redemption Method:            | <p>Auction Redemption (with Fallback Redemption Method being Cash Redemption)</p> <p><b>Noteholders' attention is drawn to the fact that due to the operation of the terms relating to Cash Redemption and/or Auction Redemption, there may be a considerable period of time following a Credit Event Determination Date before the Notes are actually redeemed.</b></p>   |
| (iv)  | Auction Redemption:                        | <p>The Issuer shall, subject to Fallback to Cash Redemption, redeem a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount subject to and in accordance with Part 1 of the Credit-Linked Note Terms (<i>Auction Redemption Terms</i>).</p>  |
| (v)   | Cash Redemption Method:                    | <p>The Issuer shall redeem a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount subject to and in accordance with Part 1 of the Credit-Linked Note Terms (<i>Cash Redemption Terms</i>).</p>  |
| (v)   | Break Costs:                               | <p>As specified in item 22 (Provisions relating to Redemption)</p>   |

23.	Redemption at the option of the Issuer:	Not Applicable
24.	Redemption at the option of the Noteholders:	Not Applicable
25.	Tax Redemption:	Applicable. See Part 6 of the Credit-Linked Note Terms.
26.	Redemption following Reference Entity becoming Noteholder:	Applicable. See Part 6 of the Credit-Linked Note Terms.
27.	Notice period for notice to the Noteholders in the case of redemption at the option of the Issuer:	Not Applicable
28.	Notice period for redemption at the option of the Noteholders:	Not Applicable
29.	Redemption following Breach of Selling Restrictions:	Applicable. See Part 6 of the Credit-Linked Note Terms.
30.	Final Redemption Amount of each Note:	See item 22 above.
31.	Early Redemption Amount:	
	Early Redemption Amount(s) of each Note payable on event of default or other early redemption and/or the method of calculating the same:	In relation to an Event of Default, see Part 6 of the Credit-Linked Note Terms

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

32.	Form of Notes:	Registered Notes:  Unrestricted Global Note registered in the name of a nominee for a common depositary for Euroclear, Clearstream, Luxembourg
33.	New Global Note:	Yes
34.	Business Days:	London and New York
35.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
36.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
37.	Redenomination applicable:	No
38.	Exchangeability applicable:	No
39.	Other final terms or special conditions:	Not Applicable

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

This Pricing Supplement comprises the final terms required for the Notes described herein to be listed on the official

list and admitted to trading on the Irish Stock Exchange's Global Exchange Market.

**GOVERNING LAW**

English law

**PLACE OF JURISDICTION**

England

Signed on behalf of the Issuer:

By:  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING

- |      |                       |   |
|------|-----------------------|---|
| (i)  | Listing:              | Ireland Global Exchange Market  |
| (ii) | Admission to trading: | Application will be made for the Notes to be admitted to the Official List and trading on the Global Exchange Market of the Irish Stock Exchange. |

### 2. RATINGS

Ratings:	The Notes will not be rated
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### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

“Save as discussed in “*Subscription and Sale*” in the Base Listing Particulars, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- |     |                        |   |
|-----|------------------------|---|
| (i) | Reasons for the offer: | The net proceeds will be used by the Issuer for its general corporate purposes or towards meeting the general financing requirements of the UBS Group, in each case outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland |
|-----|------------------------|---|

### 5. DISTRIBUTION

- |     |  |   |
|-----|--|---|
| (i) | If syndicated, names and address of Managers and underwriting commitments: | Not Applicable  |
|     | If non-syndicated, name and address:                                       | UBS Limited   |
|     | U.S. Selling Restrictions:   | Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable; Rule 144A |
|     | Additional selling restrictions:   | Not Applicable  |

### 6. RESPONSIBILITY STATEMENT AND THIRD PARTY INFORMATION

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

### 7. FLOATING RATE NOTES – HISTORIC INTEREST RATES

Details of historic 3 month USD LIBOR rates can be obtained from Reuters.

### 8. OPERATIONAL INFORMATION

CUSIP: ISIN Code:	XS1152859556
Common Code:	115285955
Swiss Valor:	26339005

Intended to be held in a manner which would allow Eurosystem eligibility:

Yes. Note that the designation “yes” means that the Notes are intended upon issue to be registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such0020recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Any clearing system(s) and the relevant identification number(s) (if applicable):

Euroclear Bank S.A./N.V. / Clearstream Banking société anonyme

Delivery:

Delivery against payment

Names and addresses of additional Paying Agent(s) (if any):

The Bank of New York Mellon

## Annex

### The Reference Entities

<b>Reference Entity</b>	<b>Non-Standard Reference Obligation</b>	<b>Transaction Entity Type</b>	<b>Credit Exposure Amount (USD)</b>	<b>Initial Credit Default Swap Spread (basis points)</b>
Republic of South Africa	US836205AN45	Standard Emerging European & Middle Eastern Sovereign	3,000,000	165
Portuguese Republic	PTOTEAOE0021	Standard Western European Sovereign	3,000,000	180
Republic of Croatia	XS0776179656	Standard Emerging European & Middle Eastern Sovereign	3,000,000	245
Republic of Indonesia	US455780AU06	Standard Asia Sovereign	3,000,000	135
Russian Federation	XS0114288789	Standard Emerging European & Middle Eastern Sovereign	3,000,000	370



## Schedule

### UBS Standard Linear Basket Credit-Linked Note Terms dated 13 November 2014

#### **Part 1A: Redemption upon Credit Event(s):**

Redemption following Credit Event Determination Date: If the Calculation Agent determines that a Credit Event has occurred, the Calculation Agent shall notify the Issuer of the same and, if a Credit Event Determination Date occurs, the Issuer may, but shall not be required to (unless a Credit Event Notice has been given), redeem the relevant portion of the Notes in accordance with the Physical Redemption Terms or the Cash Redemption Terms or the Auction Redemption Terms, as applicable. If a Credit Event Notice is not required to be given in order for a Credit Event Determination Date to occur, then, if the Issuer intends to redeem the relevant portion of the Notes as aforesaid, the Issuer or its Nominee shall give notice in writing to the Calculation Agent and the Noteholders that the relevant portion of the Notes shall be so redeemed at least five Business Days prior to the date for redemption (provided that any failure to give such notice shall not affect the right of the Issuer to redeem the relevant portion of the Notes pursuant to this Schedule).

Credit Event Determination Date:

With respect to a Credit Event:

- (a) if the Auction Redemption Terms are applicable:
  - (i) subject to paragraph (a)(ii) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case with respect to the Credit Event specified in the Credit Event Notice, or
  - (ii) notwithstanding paragraph (a)(i) above, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
    - (A)
      - (1) the relevant Credit Event is not an M(M)R Restructuring; and
      - (2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
    - (B)
      - (1) the relevant Credit Event is an M(M)R Restructuring; and
      - (2) a Credit Event Notice is delivered by the Issuer or its Nominee to the Calculation Agent and the Noteholders and is effective on or prior to the Exercise Cut-off Date,

provided that:

- (X) no Physical Redemption Date or Cash Redemption Date has occurred or the relevant portion of the Notes have otherwise redeemed on or prior to the date on which the DC Credit Event Meeting Announcement occurs;
- (Y) if any Valuation Date or date for delivery of any of the Portfolio, as applicable, has occurred on or prior to the

date on which the DC Credit Event Meeting Announcement occurs, a Credit Event Determination Date shall be deemed to have occurred only with respect to the portion of the related Reference Entity Aggregate Nominal Amount, if any, with respect to which no Valuation Date or such date for delivery, as applicable, has occurred; and

- (Z) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Issuer or its Nominee, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date (bb) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the Reference Entity Aggregate Nominal Amount of the relevant Reference Entity or (cc) unless the Deliverable Obligations set out on the Final List would be identical to the Permissible Deliverable Obligations, in each case which the Calculation Agent determines are relevant to the Notes, or

- (b) if paragraph (a) above does not apply, the Non-Standard Credit Event Determination Date.

Notwithstanding the foregoing, and unless the Issuer or its Nominee otherwise elects by written notice to the Calculation Agent and the Noteholders, no Credit Event Determination Date will occur with respect to an event, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date or the Physical Redemption Date, as applicable, a DC No Credit Event Announcement occurs with respect to such event.

Non-Standard Credit Event Determination Date:

With respect to a Credit Event to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

- (a) subject to paragraph (b) below, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:
  - (i) the Credit Event Resolution Request Date, if either:
    - (A) (I) the relevant Credit Event is not an M(M)R Restructuring; and
    - (II) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or
    - (B) (I) the relevant Credit Event is an M(M)R Restructuring; and
    - (II) a Credit Event Notice is delivered by the Issuer

or its Nominee to the Calculation Agent and the Noteholders on or prior to the Non-Standard Exercise Cut-off Date, or

- (ii) the first date on which a Credit Event Notice is delivered by the Issuer or its Nominee to the Calculation Agent and the Noteholders and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, 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)), if either:
  - (A) (I) the relevant Credit Event is not an M(M)R Restructuring; and
  - (II) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or
  - (B) (I) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date,

provided that:

- (aa) no Physical Redemption Date, if applicable, or Cash Redemption Date has occurred or the relevant portion of the Notes have otherwise redeemed on or prior to the date on which the DC Credit Event Meeting Announcement occurs;
- (bb) if any Valuation Date or date for delivery of any of the Portfolio, as applicable, has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, a Non-Standard Credit Event Determination Date shall be deemed to have occurred only with respect to the portion of the related Reference Entity Aggregate Nominal Amount, if any with respect to which no Valuation Date or date for delivery of the Portfolio, as applicable, has occurred; and
- (cc) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Issuer or its Nominee to the Calculation Agent and the Noteholders (xx) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (yy) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the Reference Entity Aggregate Nominal Amount of the relevant Reference Entity or (zz) unless the Deliverable Obligations set out on the Final List would be identical to the Permissible Deliverable Obligations, in each case which the Calculation Agent determines are relevant to the Notes.

Notwithstanding the foregoing, and unless the Issuer or its Nominee otherwise elects by written notice to the Calculation Agent and the Noteholders, no Non-Standard Credit Event Determination Date will occur with respect to an event, and any Non-Standard Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date or the Physical Redemption Date, as applicable, a DC No Credit Event Announcement occurs with respect to such event.

Non-Standard Exercise Cut-off      With respect to a Credit Event which is an M(M)R Restructuring and to which

Date:	<p>paragraph (a) of the definition of Credit Event Determination Date does not apply:</p> <ul style="list-style-type: none"> <li>(a) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or</li> <li>(b) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.</li> </ul>
DC Announcement Coverage Cut-off Date:	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.
Credit Event Notice:	<p>A notice given by the Issuer or its Nominee to the Calculation Agent and the Noteholders in writing of the determination that a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.</p> <p>Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Maturity Date 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.</p> <p>A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the Reference Entity Aggregate Nominal Amount of the relevant Reference Entity.</p> <p>The Credit Event Notice shall describe in reasonable detail the facts relevant to the determination that a Credit Event has occurred and, subject as provided below, shall confirm the occurrence of a Credit Event with Publicly Available Information. The Credit Event Notice shall, subject as provided below, contain a copy or a description in reasonable detail of the relevant Publicly Available Information. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date that the Credit Event Notice is given. Notwithstanding the foregoing, no Publicly Available Information shall be required if either Publicly Available Information is specified as not applicable or if a DC Credit Event Announcement has occurred on or prior to the date on which the relevant Credit Event Notice is delivered.</p>
Notice Delivery Date:	The first date on which an effective Credit Event Notice has been given by the Issuer or its Nominee to the Calculation Agent and the Noteholders.
Notice Delivery Period:	The period from and including the Trade Date to and including the date that is fourteen calendar days after the Extension Date.
Post Dismissal Additional Period:	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)).
Extension Date:	With respect to a Reference Entity, the latest of (a) the Scheduled Maturity Date, (b) the Grace Period Extension Date applicable to such Reference Entity if (i) “Failure to Pay” and “Grace Period Extension” are specified as applicable and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Scheduled Maturity Date and (c) the Repudiation/Moratorium Evaluation Date (if any) applicable to such Reference Entity if “Repudiation/Moratorium” is specified as applicable to such Reference Entity.
Exercise Cut-off Date:	<p>Either:</p> <ul style="list-style-type: none"> <li>(a) if M(M)R Restructuring and if paragraph (a) of the definition of Credit</li> </ul>

Event Determination Date applies:

- (i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
  - (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event in respect of which paragraph (a) of the definition of Credit Event Determination Date does not apply, the Non-Standard Exercise Cut-off Date;

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves.

Scheduled Maturity Date:	The date specified as such in the terms of the Notes.
Reference Entity Aggregate Nominal Amount:	As specified in the terms of the Notes.
Relevant City Business Day:	Has the meaning given to that term in the DC Rules.
DC Credit Event Meeting Announcement:	With respect to a 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:	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 has occurred.
DC Credit Event Question Dismissal:	With respect to a 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 Announcement:	With respect to a 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 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 Maturity 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 No Credit Event Announcement:	With respect to a 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.
M(M)R Restructuring:	A Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable.
Final List:	Has the meaning given to that term in the DC Rules.
Potential Credit Event Extension:	If the Calculation Agent determines in its sole and absolute discretion that a Potential Credit Event has occurred on or prior to the Scheduled Maturity Date in relation to a Reference Entity, then the Calculation Agent shall as soon as reasonably practicable thereafter send a notice to the Issuer setting out such determination. If a Potential Credit Event is so determined by the Calculation Agent to have occurred, the Issuer may, with respect to such Reference Entity (but no other

Reference Entity) and the related Reference Entity Aggregate Nominal Amount, elect to extend the Scheduled Maturity Date to a date which is the later of either (i) the 21st calendar day following the original Scheduled Maturity Date, or (ii) if a DC Credit Event Question with respect to the Potential Credit Event has occurred on or prior to the original Scheduled Maturity Date, the date on which the related DC Credit Event Announcement occurs (or, in the case of a DC Credit Event Announcement in respect of an M(M)R Restructuring Credit Event, the date on which the relevant Exercise Cut-off Date occurs) or the date two Business Days following the date on which the related DC No Credit Event Announcement occurs, as applicable. References to the Scheduled Maturity Date in the Extension Date, Grace Period Extension and Repudiation/Moratorium Extension provisions of this Part 1A shall be construed accordingly. The Issuer or its Nominee shall give notice in writing to the Calculation Agent and the Noteholders of its election to extend the Scheduled Maturity Date pursuant to this Potential Credit Event Extension provision on or as soon as reasonably practicable after the original Scheduled Maturity Date (provided that any failure to give such notice shall not affect the right of the Issuer to extend the Scheduled Maturity Date pursuant to this Potential Credit Event Extension provision).

Any interest due on the original Scheduled Maturity Date with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount shall, subject as may otherwise be specified, be deemed to be due on the actual Maturity Date and no further interest shall accrue after the original Scheduled Maturity Date.

Potential Credit Event:

An event which, in the sole and absolute determination of the Calculation Agent, may be a Credit Event (including, but not limited to, where a Credit Derivatives Determinations Committee has been or may be convened to consider whether a Credit Event has occurred in relation to a Reference Entity).

Notices:

In respect of any notice to be delivered to the Noteholders pursuant to the terms of this Schedule, such notice shall be deemed to have been delivered to the Noteholders upon delivery of the same to the Agent (if the Notes are in bearer form) or the Registrar (if the Notes are in registered form) for onward transmission on behalf of the Issuer in accordance with Condition 13.

Grace Period Extension:

If the Calculation Agent determines that a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date in relation to a Reference Entity if Grace Period Extension is specified as applicable, and the applicable Grace Period (if any) cannot by its terms expire on or prior to the Scheduled Maturity Date, the Scheduled Maturity Date, with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount shall not be the Maturity Date of the Notes and the maturity of the Notes, with respect to such Reference Entity (but no other Reference Entity) and the related Reference Entity Aggregate Nominal Amount, shall be extended in accordance with the following provisions. Any interest due on the Scheduled Maturity Date shall, subject as may otherwise be specified, be deemed to be due on the actual Maturity Date and no further interest shall accrue after the Scheduled Maturity Date.

If a Credit Event Determination Date in respect of the Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) then the date that is two Business Days after such date will be the Maturity Date with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount. If a Credit Event Determination Date in respect of the Failure to Pay does occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), then redemption will occur with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount in accordance with the Physical Redemption Terms or the Cash Redemption Terms or the Auction Redemption Terms, as applicable and as described in Part 1A of this Schedule.

Grace Period Extension Date:

If (a) "Grace Period Extension" is specified as applicable to the relevant Reference

Entity and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date, 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 as applicable, Grace Period Extension shall not apply.

Grace Period:

Means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with 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 as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified in the terms of the Notes or, if no period is specified, thirty calendar days; and
- (c) if, as of 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 as applicable, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

Grace Period Business Day:

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 day on which the TARGET2 System is operating, 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.

Potential Failure to Pay:

Means 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, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

Provisions Relating to Timing:

Subject to "Payment Timing" below, in order to determine the day on which an event occurs for the purposes of this Schedule, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant 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.

Payment Timing:

Notwithstanding "Credit Event Notice" and "Provisions Relating to Timing" above, if a payment is not made by a 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 relevant Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

Repudiation/Moratorium Extension:

If the Calculation Agent determines that a Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Maturity Date in relation to a Reference Entity to which Repudiation/Moratorium is specified as applicable and a Repudiation/Moratorium Extension Notice is delivered on or before the Scheduled Maturity Date then the Scheduled Maturity Date with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount shall not be the Maturity Date of the Notes and the maturity of the Notes

with respect to such Reference Entity (but no other Reference Entity) and the related Reference Entity Aggregate Nominal Amount shall be extended in accordance with the following provisions. Any interest due on the Scheduled Maturity Date shall, subject as may otherwise be specified, be deemed to be due on the actual Maturity Date and no further interest shall accrue after the Scheduled Maturity Date.

If a Credit Event Determination Date in respect of the Repudiation/Moratorium does not occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), then the date that is two Business Days after such date will be the Maturity Date with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount. If a Credit Event Determination Date in respect of the Repudiation/Moratorium does occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), then Redemption will occur with respect to a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount in accordance with the Physical Redemption Terms or the Cash Redemption Terms or the Auction Redemption Terms, as applicable and as described in Part 1A of this Schedule.

Repudiation/Moratorium  
Evaluation Date:

If the Obligations to which a Potential Repudiation/Moratorium relate include Bonds, the date that is the later of (A) the date that is sixty 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 the expiration date of any applicable Grace Period in respect of such payment date).

If the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty days after the date of such Potential Repudiation/Moratorium.

Repudiation/ Moratorium  
Extension Notice:

A notice given by the Calculation Agent to the Issuer and the Noteholders in writing of the determination that a Potential Repudiation/Moratorium has occurred on or prior to the Scheduled Maturity Date. The Repudiation/Moratorium Extension Notice shall describe in reasonable detail the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and shall, subject as provided below, confirm the occurrence of a Potential Repudiation/Moratorium with Publicly Available Information. The Repudiation/Moratorium Extension Notice shall, subject as provided below, contain a copy or a description in reasonable detail of the relevant Publicly Available Information. 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 given. Notwithstanding the foregoing, no Publicly Available Information shall be required in circumstances if the DC Secretary publicly announces on or prior to the date on which the relevant Repudiation/Moratorium Extension Notice is delivered (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to the relevant Reference Entity, or if Publicly Available Information is specified as not applicable.

Potential Repudiation /  
Moratorium:

Means the occurrence of the events described in paragraph (i) of the definition of "Repudiation/Moratorium".

Credit Event Resolution  
Request Date:

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.

Credit Event Backstop Date:

(a) For purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in paragraph (ii) of the definition of Repudiation/Moratorium) 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.

**Resolve:** Has the meaning given to that term in the DC Rules and “Resolved” and “Resolves” shall be construed accordingly.

**Credit Derivatives Determinations Committee:** Each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions.

**DC Rules:** Means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website at [www.isda.org](http://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 that term in the DC Rules.

**DC Party:** Has the meaning given to that term in the DC Rules.

**DC Resolution:** has the meaning given to that term in the DC Rules.

#### **Auction Redemption Terms:**

**Auction Redemption:** If Auction Redemption is specified as the applicable Credit Event Redemption Method and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, redemption of a portion of the Notes equal to the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount shall take place by payment by the Issuer of the Auction Redemption Amount on the Auction Redemption Date; provided that if there is more than one Noteholder, each Noteholder shall be paid its pro rata share of the Auction Redemption Amount.

Without prejudice to the foregoing, but without duplication of redemption, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs in the circumstances described in paragraph (b) or (c) (ii) under No Auction Announcement Date below, the Issuer or its Nominee has not exercised the Movement Option), (c) a DC Credit Event Question Dismissal occurs, (d) a Credit Event Determination Date was determined pursuant to paragraph (a)(i) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date (or such longer period as may be determined by the Calculation Agent in its sole and absolute discretion), or (e) the Issuer elects and the Issuer (or its Nominee) notifies the Noteholders and the Calculation Agent, that Cash Redemption shall apply instead (such election to be made at any time on or prior to the Business Day falling immediately prior to the Auction Final Price Determination Date, regardless of when notice of such election is given), redemption of a portion of the Notes equal to the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount shall take place in accordance with the Fallback Redemption Method. In the case of paragraph (e), the Fallback Redemption Method shall be Cash Redemption.

**Fallback Redemption Method:** If Auction Redemption is specified as the applicable Credit Event Redemption Method and Cash Redemption is specified as the Fallback Redemption Method, Cash Redemption, otherwise, Physical Redemption.

**Auction:** Has the meaning set forth in the Transaction Auction Settlement Terms.

Auction Redemption Date:	Unless otherwise specified, the date that is five Business Days (or such other number of days as may be specified) immediately following the Auction Final Price Determination Date.
Auction Redemption Amount:	An amount in the currency of denomination of the Notes equal to the outstanding principal balance of the Notes to be redeemed multiplied by the Auction Final Price, minus the Break Costs, subject to a minimum of zero.
Auction Final Price Determination Date:	The day, if any, on which the Auction Final Price is determined with respect to the relevant Reference Entity.
Auction Final Price:	Has the meaning set forth in the Transaction Auction Settlement Terms.
Credit Derivatives Auction Settlement Terms:	Any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at <a href="http://www.isda.org">www.isda.org</a> (or any successor website thereto) from time to time and may be amended from time to time. The Calculation Agent shall be authorised to construe any Credit Derivatives Auction Settlement Terms (including any Transaction Auction Settlement Terms or Parallel Auction Settlement Terms) in such manner as it shall determine in its sole and absolute discretion to be necessary in order to give effect to the meaning of any word or expression used herein and which is defined by reference to such Credit Derivatives Auction Settlement Terms.
Transaction Auction Settlement Terms:	The relevant Credit Derivatives Auction Settlement Terms, whether or not the Notes are covered by such Credit Derivatives Auction Settlement Terms; provided that the Calculation Agent determines in its sole and absolute discretion that (a) one or more of the obligations compliant with the relevant Deliverable Obligation Terms are substantially the same as one or more of the obligations compliant with the Deliverable Obligation Provisions and (b) if such Credit Event is an M(M)R Restructuring, a credit derivative transaction with the same tenor as the Notes would be covered by the relevant Credit Derivatives Auction Settlement Terms.
Parallel Auction Settlement Terms:	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 if the Calculation Agent determines in its sole and absolute discretion that (a) one or more of the obligations compliant with the relevant Deliverable Obligation Terms are substantially the same as one or more of the obligations compliant with the Deliverable Obligation Provisions and (b) a credit derivative transaction with the same tenor as the Notes would not be covered by the relevant Credit Derivatives Auction Settlement Terms.
Credit Derivatives Determinations Committees:	Each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions.
No Auction Announcement Date:	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 Auction 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, in circumstances where either (i) no Parallel Auction will be held, or (ii) one or more Parallel Auctions will be held. For the avoidance of doubt, a No Auction Announcement Date will not occur solely by reason of the Notes not being covered by any Credit Derivatives Auction Settlement Terms.
Auction Cancellation Date:	Has the meaning set forth in the Transaction Auction Settlement Terms.
Parallel Auction:	Means “Auction” as defined in the relevant Parallel Auction Settlement Terms.

Movement Option:	With respect to an M(M)R Restructuring to which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply the Parallel Auction Settlement Terms so that the relevant portion of the Notes may be redeemed by way of Auction Redemption for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that the Issuer could specify in any Notice of Physical Settlement or Notice of Valuation Obligations (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). If the Issuer or its Nominee does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, the relevant portion of the Notes will be redeemed in accordance with the Fallback Redemption Method.
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.
Movement Option Cut-off Date:	The date that is four Relevant City Business Days following the Exercise Cut-off Date or such other date determined by the Calculation Agent (being not earlier than any date as the relevant Credit Derivatives Determinations Committee has Resolved).
Notice to Exercise Movement Option:	Where (a) an M(M)R Restructuring is applicable and (b) the Fallback Redemption Method would otherwise be applicable pursuant to paragraph (b) of the second paragraph under Auction Redemption above, a notice in writing from the Issuer or its Nominee to the Calculation Agent and the Noteholders that (i) specifies the Parallel Auction Settlement Terms which shall be applicable in accordance with the Issuer's exercise of the Movement Option and (ii) is dated on or prior to the Movement Option Cut-off Date.
Deliverable Obligation Terms:	Has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.
Deliverable Obligation Provisions:	The provisions of the Notes that specify the criteria for establishing what obligations may constitute Deliverable Obligations.
ISDA:	The International Swaps and Derivatives Association, Inc..
Trade Date:	The date specified as such in the terms of the Notes.

### **Physical Redemption Terms:**

Physical Redemption:	<p>If Physical Redemption is specified as the applicable Credit Event Redemption Method (or if Physical Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms), then a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount may, subject to the Suspension Terms set out in Part 1B below, be redeemed on or prior to the Final Physical Redemption Date by delivery of the Portfolio in the manner described below. If there is more than one Noteholder, each Noteholder shall be delivered its <i>pro rata</i> share of the Portfolio.</p> <p>Reference should also be made to Part 4A (and, as applicable, Parts 4B, 4C and 4D) below in relation to Physical Redemption.</p> <p>In order to redeem the relevant portion of the Notes by delivery of the Portfolio, the Issuer or its Nominee shall give 10 Business Days' prior notice (the "<b>Notice of Physical Settlement</b>") to the Calculation Agent and the Noteholders, of:</p> <p>(A) the intended date for delivery of the relevant Deliverable Obligations to</p>
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Noteholders (the “**Physical Redemption Date**”);

- (B) a detailed description of the Deliverable Obligations and/or cash that will constitute the Portfolio including, if available, the CUSIP or ISIN number of each Deliverable Obligation (or if such identifying number is not available, the rate and tenor of the Deliverable Obligation) and 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 that are to be delivered; and
- (C) the method by which the Noteholders must provide their settlement instructions to the Issuer or its Nominee.

The Issuer or its Nominee may, from time to time, serve subsequent Notices of Physical Settlement to change the Physical Redemption Date and/or one or more of the Deliverable Obligations in whole or in part or the amount of cash comprising the Portfolio and/or the detailed description of the Deliverable Obligations at any time on or prior to the tenth Business Day before the Final Physical Redemption Date and the last Notice of Physical Settlement served within this period shall override all previous such notices.

Notwithstanding the foregoing, (i) the Issuer or its Nominee may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any amended Notice of Physical Settlement, as applicable, by notice to the Calculation Agent and the Noteholders prior to the date of delivery of the Portfolio and (ii) if Asset Package Delivery is applicable, the Issuer or its Nominee shall on the date of delivery of the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given), or as soon as reasonably practicable thereafter (but in any case, prior to the date of delivery of the Portfolio), notify the Calculation Agent and 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 amended Notice of Physical Settlement, as applicable.

Noteholders shall notify the Issuer or its Nominee as applicable within 5 Business Days of delivery of the Notice of Physical Settlement or any amended Notice of Physical Settlement (or, as applicable, any notice by the Issuer or its Nominee that an Asset Package will be delivered) of their instructions for settlement in any major financial centre of the Deliverable Obligations comprising the Portfolio or, as the case may be, the Assets comprised in the Asset Package. Delivery shall be made in accordance with the Delivery provision in this Part 1A below.

If Physical Redemption is applicable to the Fallback Redemption Method and if the Final Physical Redemption Date would otherwise be determined as a prescribed number of days or Business Days after the Credit Event Determination Date, the Final Physical Redemption Date shall instead be determined as such number of days or Business Days after the date on which the Calculation Agent determines that Physical Redemption became applicable.

Subject to the provisions relating to Fallback to Cash Redemption and subject to the Suspension Terms set out in Part 1B below, if the relevant portion of the Notes have not been redeemed by delivery of the Portfolio in accordance with Part 1A of this Schedule on or prior to the Final Physical Redemption Date then the Cash Redemption Terms shall be deemed to apply and the Valuation Date for such purposes will be the date which is 3 Business Days after the Final Physical Redemption Date, and the Valuation Obligations for such purposes shall be the Deliverable Obligations.

Date:	Date, subject to the Suspension Terms set out in Part 1B below, or, if Physical Redemption is specified or deemed to be specified as the Fallback Redemption Method, no later than 135 Business Days following the occurrence of the relevant event specified in the second paragraph of Auction Redemption, as set out in Part 1A of this Schedule.
Portfolio:	Deliverable Obligations with an aggregate Outstanding Principal Balance (in the case of Deliverable Obligations that are Borrowed Money) or with an aggregate Due and Payable Amount (in the case of Deliverable Obligations that are not Borrowed Money) (or, in either case, the equivalent Currency Amount of such amount) and/or cash in the currency of denomination of the Notes (the “ <b>Settlement Currency</b> ”), in each case in the aggregate amount as of the relevant Physical Redemption Date that is no less than the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount as determined by the Calculation Agent in a commercially reasonable manner, subject to a minimum of zero; provided that the Portfolio (determined in accordance with the foregoing) shall not include an amount of Deliverable Obligations and/or cash the market value (as determined by the Calculation Agent in a commercially reasonable manner) or, as the case may be, value of which is, in aggregate, as near as practicable equal to any relevant Break Costs. “ <b>Currency Amount</b> ” means, with respect to a Deliverable Obligation specified in a Notice of Physical Settlement or any amended Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted by the Calculation Agent to the Settlement Currency using such conversion rate as shall be determined by the Calculation Agent in a commercially reasonable manner.
Relevant Holder:	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, amended Notice of Physical Settlement, Notice of Valuation Obligations or amended Notice of Valuation Obligations, as applicable.
Asset Package:	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.
Largest Asset Package:	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 (as defined in Part 3 below). If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.
Asset:	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 relevant Reference Entity or a third party (or any value which was realized or capable of being realized in circumstances where the right and/or other asset no longer exists).
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 Credit Event Determination Date, or (ii) if the relevant Reference Entity is a Sovereign, no Package Observable Bond

exists immediately prior to such Asset Package Credit Event.

Asset Package Credit Event:

If:

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

In each case, such event may be an Asset Package Credit Event whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

Fallback to Cash Redemption:

If it is impossible or illegal for the Issuer to deliver or for any Noteholder to receive any Deliverable Obligations comprising the Portfolio in accordance with the Physical Redemption Terms (other than any Deliverable Obligation which (i) is a Prior Deliverable Obligation or a Package Observable Bond which the Issuer has notified it intends to deliver an Asset Package in lieu thereof or (ii) forms part of an Asset Package which the Issuer or its Nominee has notified it intends to deliver), then the Issuer shall deliver that portion of such Deliverable Obligations which it is possible and legal to deliver with an explanation in writing of the reasons for non-delivery of the rest of the Deliverable Obligations (such remainder being the **"Undelivered Portion"**). If the impossibility or illegality continues for more than 30 days after the Physical Redemption Date (the **"Final Delivery Date"**), then the Cash Redemption Terms below shall apply with respect to the Undelivered Portion that cannot be delivered and the relevant portion of the Notes which have not been redeemed as a consequence, and the Valuation Date for such purposes will be the date which is 3 Business Days after the Final Delivery Date (such date, the **"Fallback to Cash Redemption Valuation Date"**) and the Valuation Obligations for such purposes shall be the Deliverable Obligations comprising the Undelivered Portion.

Option for Cash Redemption:

If Physical Redemption applies and Option for Cash Redemption is specified as applicable, the Issuer may by notice to the Noteholders and the Calculation Agent at any time prior to the delivery of a Notice of Physical Settlement and prior to any notice that an Asset Package will be delivered, redeem the relevant portion of the Notes pursuant to the Cash Redemption Terms, subject to the Suspension Terms set out in Part 1B below. Where Option for Cash Redemption applies pursuant to this paragraph, the Valuation Obligations for such purposes shall be the Deliverable Obligations which would have otherwise been delivered and in respect of which a Notice of Valuation Obligations shall be given.

Delivery:

In relation to Physical Redemption or otherwise, references to "deliver" with respect to any obligation or asset 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 (which shall include executing all necessary documentation and taking any other necessary actions), 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 Deliverable Obligations specified in the Notice of Physical Settlement or any amended Notice of Physical Settlement, as applicable, 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, defense (other than a counterclaim or defense based on the factors set forth in items (a) to (d) of the definition of Credit Event in

Part 2 below) or right of set-off by or of the relevant Reference Entity or any applicable Underlying Obligor); provided that (i) if a Deliverable Obligation is a Direct Loan Participation, "deliver" means to create (or procure the creation of) a participation in the relevant Loan and (ii) if a Deliverable Obligation is a Guarantee, "deliver" means to deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "deliver" means to deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. In relation to Physical Redemption, or otherwise "delivery" and "delivered" will be construed accordingly with respect to any obligation or asset.

In the case of a Loan, delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for delivery of such Loan at that time, provided further that the provisions of any documentation (which shall include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for delivery of such Loan at that time shall be complied with, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations hereunder. Compliance with the provisions of any such documentation, shall be required for, and, without further action, constitute, delivery for purposes of Physical Redemption (to the extent that such documentation contains provisions describing how delivery should be effected).

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 any amended Notice of Physical Settlement, 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) the construction of the expression "delivery" set out above shall be deemed to apply to each Asset in the Asset Package 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 detailed description of the Asset Package is notified in accordance with these Physical Redemption Terms, (iv) delivery of the Prior Deliverable Obligation or Package Observable Bond may be satisfied 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.

As used above:

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

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

**"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.

#### **Cash Redemption Terms:**

Cash Redemption: If (i) Cash Redemption is specified as the applicable Credit Event Redemption Method, (ii) Fallback to Cash Redemption is applicable, (iii) Option for Cash

Redemption is applicable or (iv) Cash Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms, redemption of a portion of the Notes equal to the relevant Reference Entity's Reference Entity Aggregate Nominal Amount (or, if Fallback to Cash Redemption applies, the relevant portion of the Notes as the case may be) shall, subject to the Suspension Terms set out in Part 1B below, take place by payment by the Issuer of the Cash Redemption Amount on the Cash Redemption Date.

Unless Fallback to Cash Redemption applies under the terms relating to Physical Redemption and subject to the Suspension Terms set out in Part 1B below, the Issuer or its Nominee shall give to the Calculation Agent and the Noteholders 10 Business Days' prior notice (the "**Notice of Valuation Obligations**") of:

- (A) a detailed description of the Valuation Obligations and/or cash that will constitute the Valuation Portfolio including, if available, the CUSIP or ISIN number of each Valuation Obligation (or if such identifying number is not available the rate and tenor of the Valuation Obligation) and the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency and, if different, the face amount of each such Valuation Obligation; and
- (B) the intended date on which the Valuation Obligations are to be valued (the "**Valuation Date**"), which date will not be later than the Final Valuation Date.

The Issuer or its Nominee may, from time to time, serve subsequent Notices of Valuation Obligations to change the Valuation Date and/or one or more of the Valuation Obligations in whole or in part or the amount of cash specified in the Notice of Valuation Obligations and/or the detailed description thereof at any time on or prior to the tenth Business Day before the Final Valuation Date and the last Notice of Valuation Obligations served within this period shall override all previous such notices. The Issuer or its Nominee may correct any errors or inconsistencies in the detailed description of each Valuation Obligation specified in the Notice of Valuation Obligations or any amended Notice of Valuation Obligations, as applicable, by notice to the Calculation Agent and the Noteholders prior to the applicable Valuation Date.

On the Valuation Date, the Calculation Agent shall commence determination of the Final Price using the Valuation Obligation specified in the Notice of Valuation Obligations (or, if Fallback to Cash Redemption applies, using the Undelivered Portion only of the Deliverable Obligations specified in the Notice of Physical Settlement or, as the case may be, any amended Notice of Physical Settlement).

Valuation Obligation:

An obligation which would be permitted to be included in the Portfolio and/or which would otherwise satisfy the delivery of a Prior Deliverable Obligation or a Package Observable Bond if Asset Package Delivery applies (in each case, as determined in the sole and absolute discretion of the Calculation Agent) if the Physical Redemption Terms were to apply (or, if Fallback to Cash Redemption applies, an obligation comprised in the Undelivered Portion only of the Deliverable Obligations specified in the Notice of Physical Settlement or, as the case may be, any amended Notice of Physical Settlement).

Cash Redemption Date:

Unless otherwise specified, (a) if the Cash Redemption Amount or the Final Price is not specified, subject to the Suspension Terms set out in Part 1B below, the date that is three Business Days (or such other number of days as may be specified) following the calculation of the Final Price and (b) if the Cash Redemption Amount or the Final Price is specified, subject to the Suspension Terms set out in Part 1B below, three Business Days (or such other number of days as may be specified) following (i) the Credit Event Determination Date, or (ii) if the Credit Event Determination Date occurs pursuant to (a)(ii) of the definition of Credit Event Determination Date or (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day



on which the DC Credit Event Announcement occurs.

Notwithstanding the foregoing, if the Cash Redemption Amount or the Final Price is not specified and the Calculation Agent determines in its sole and absolute discretion that the determination of the Final Price is (for any reason) impossible, then the Calculation Agent shall give notice of the same to the Issuer and the Noteholders, upon which the Calculation Agent shall cease to be required to determine the Final Price, the Final Price shall be deemed to be 100% and the Cash Redemption Date shall fall 3 Business Days after the date of such notice.

**Cash Redemption Amount:** In respect of a Reference Entity, an amount in the currency of denomination of the Notes equal to the aggregate Outstanding Principal Balance (in the case of Valuation Obligations that are Borrowed Money) and the aggregate Due and Payable Amount (in the case of Valuation Obligations that are not Borrowed Money) of the Valuation Obligations comprised in the Valuation Portfolio (or, in either case, the equivalent Currency Amount of such amount) together with any cash comprised in the Valuation Portfolio (or, in the case of Fallback to Cash Redemption, an amount equal to the aggregate Outstanding Principal Balance (in the case of Deliverable Obligations that are Borrowed Money) and the aggregate Due and Payable Amount (in the case of Deliverable Obligations that are not Borrowed Money) of the Deliverable Obligations comprised in the Undelivered Portion (or, in either case, the equivalent Currency Amount of such amount)) minus the sum of (a) the Loss Amount and (b) the Break Costs (if so specified), subject to a minimum of zero.

Unless Fallback to Cash Redemption applies, if there is more than one Noteholder, each Noteholder shall be paid its pro rata share of the Cash Redemption Amount. If Fallback to Cash Redemption applies and there is more than one Noteholder, the Calculation Agent shall determine in good faith the share, if any, of the Cash Redemption Amount to be paid to each Noteholder. If the Cash Redemption Amount is zero, such amount shall be deemed to be paid on the Cash Redemption Date.

**Loss Amount:** The aggregate, as calculated by the Calculation Agent, of the Outstanding Principal Balance (in the case of Valuation Obligations that are Borrowed Money) and the aggregate Due and Payable Amount (in the case of Valuation Obligations that are not Borrowed Money) of each Valuation Obligation in the Valuation Portfolio multiplied by (100% less the Final Price of such Valuation Obligation).

**Final Price:** Means, subject to the provisions herein and unless otherwise specified, the price of the relevant Valuation Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in accordance with the Valuation Method.

**Break Costs:** Has the meaning set out in the terms of the Notes, save that if no Break Costs are provided therein, Break Costs shall be deemed to be zero.

**Valuation Method:** Means the highest Quotation obtained by the Calculation Agent on or with respect to the Valuation Date.

**Valuation Portfolio:** In respect of a Reference Entity, Valuation Obligations with an aggregate Outstanding Principal Balance (in the case of Valuation Obligations that are Borrowed Money) or with an aggregate Due and Payable Amount (in the case of Valuation Obligations that are not Borrowed Money) (or, in either case, the equivalent Currency Amount of such amount) and/or cash in the currency of denomination of the Notes (the “**Settlement Currency**”), in each case in the aggregate amount as of the relevant Valuation Date that is no less than the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount (or, in the case of Fallback to Cash Redemption, the Outstanding Principal Balance or, as the case may be, the Due and Payable Amount of the Undelivered Portion).

“**Currency Amount**” means, with respect to a Valuation Obligation that is denominated in a currency other than the Settlement Currency, an amount converted

by the Calculation Agent to the Settlement Currency using such conversion rate as shall be determined by the Calculation Agent in a commercially reasonable manner.

**Final Valuation Date:** No later than 135 Business Days after the Credit Event Determination Date, subject to the Suspension Terms set out in Part 1B below, or, if Cash Redemption is specified as the Fallback Redemption Method, no later than 135 Business Days following the occurrence of the relevant event specified in the second paragraph of Auction Redemption, as set out in Part 1A of this Schedule or, if Fallback to Cash Redemption applies, the later of (a) the day falling no later than 135 Business Days after the Credit Event Determination Date and (b) the Fallback to Cash Redemption Valuation Date.

**Quotations:** Means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Valuation Obligation's Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows (except that if Asset Package Delivery applies and a Valuation Obligation comprises any Asset which is a Non-Transferable Instrument or a Non-Financial Instrument then the following will not apply to such Valuation Obligation and the relevant Asset Market Value (expressed as a percentage of the Asset's Outstanding Principal Balance or Due and Payable Amount, as applicable) shall be deemed to be the highest Quotation with respect to the Valuation Date for the purpose of the Valuation Method in relation to the determination of the Final Price):

The Calculation Agent shall attempt to obtain Full Quotations on or with respect to the Valuation Date from at least five Dealers. If at least two such Full Quotations are not available on the same Business Day within three Business Days of the Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the 15th Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from at least five Dealers and, if at least two Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain at least two Full Quotations or a Weighted Average Quotation within such period, the Calculation Agent shall determine the Final Price in its sole and absolute discretion (which, for the avoidance of doubt, may be zero).

**Full Quotation:** Means each firm bid quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the relevant Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, equal to the Quotation Amount.

**Quotation Amount:** With respect to a Valuation Obligation, an amount equal to its Outstanding Principal Balance or its Due and Payable Amount, as applicable, unless, in the sole and absolute discretion of the Calculation Agent, such amount would not result in a commercially reasonable determination, in which case the Quotation Amount shall be determined by the Calculation Agent in its sole and absolute discretion.

**Weighted Average Quotation:** Means the weighted average of firm bid quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the relevant Valuation 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 that in the aggregate are approximately equal to the Quotation Amount.

**Valuation Time:** At or around 11:00am in the principal trading market for the relevant Valuation Obligation.

**Dealer:** Means a dealer in obligations of the type of Valuation Obligations for which Quotations are to be obtained, as selected by the Calculation Agent in its sole and absolute discretion (which may not include the Calculation Agent or its Affiliates (as defined in the standard form 2002 ISDA Master Agreement)).



## **Part 1B: Effect of DC Resolutions**

Suspension Terms:	<p>If, following the occurrence of a Credit Event Determination Date but prior to the Physical Redemption Date or, to the extent applicable, the Valuation Date, there is a DC Credit Event Meeting Announcement, the timing requirements of the Physical Redemption Terms or, as applicable, the Cash Redemption Terms or any other provision that pertains to settlement of the redemption of the relevant portion of the Notes shall toll and remain suspended until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal (the “<b>Suspension End Date</b>”). During such suspension period, neither the Issuer nor any other person will take any action to redeem or in connection with the redemption of the relevant portion of the Notes in accordance with the Physical Redemption Terms or, as applicable, the Cash Redemption Terms. Upon the occurrence of the relevant Suspension End Date, the relevant timing requirements of the Physical Redemption Terms or, as applicable, the Cash Redemption Terms or any other provision that pertains to settlement of the redemption of the relevant portion of the Notes that have previously tolled or been suspended shall resume on the Business Day following the public announcement by the DC Secretary of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal.</p>
Effect of DC Resolutions:	<p>The Calculation Agent shall determine in its sole and absolute discretion whether, how and the extent to which any DC Resolution of the relevant Credit Derivatives Determinations Committee applies to the Notes in accordance with the terms of this Schedule, including any DC Resolution that reverses a previous DC Resolution and the Calculation Agent may determine that any DC Resolution that reverses a previous DC Resolution shall not be effective for the purpose of this Schedule if the Calculation Agent determines (in its sole and absolute discretion) that such DC Resolution would not be effective for the purpose of a comparable credit derivative transaction.</p>

## **Part 2: Credit Event Definitions:**

**Credit Event** means one or more of the Credit Events specified as applicable. 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 a 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.

**Bankruptcy** means a 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 30 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 30 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 paragraphs (a) to (g).

**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 a Reference Entity under one or more Obligations.

**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 a Reference Entity under one or more Obligations.

**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.

If an occurrence that would constitute a Failure to Pay (a) is a 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 the 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.

**Repudiation/Moratorium** means the occurrence of both of the following events: (i) an authorised officer of a Reference Entity or a Governmental Authority (a) 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 (b) 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.

**Restructuring** means that:

- (a) 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 in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:
  - (i) a reduction in the rate or 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 (A) the payment or accrual of interest, or (B) 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; or
  - (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, 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).
- (b) Notwithstanding the provisions of paragraph (a) of this definition of Restructuring, none of the following shall constitute a Restructuring:
  - (i) 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;
  - (ii) 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;
  - (iii) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (v) of this definition of Restructuring due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iv) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (v) of this definition of Restructuring in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of a Reference Entity provided that in respect of paragraph (a)(v) of this definition of Restructuring only, no such deterioration in the creditworthiness or financial condition of a 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.
- (c) For the purposes of this definition of Restructuring and the definition of Multiple Holder Obligation the term Obligation shall be deemed to include Underlying Obligations for which the relevant Reference Entity is

acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation references to the Reference Entity in paragraph (a) above of the definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraph (b) above of the definition of Restructuring shall continue to refer to the Reference Entity.

- (d) If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a)(i) to (v) of this definition of Restructuring has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**Governmental Intervention** means:

(a) 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 a Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (i) any event which would affect creditors' rights so as to cause:
  - (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 (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
  - (D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in paragraphs (a)(i) to (iii).
- (b) For purposes of paragraph (a) of this definition of Governmental Intervention, the term Obligation shall be deemed to include Underlying Obligations for which the relevant Reference Entity is acting as provider of a Guarantee.

**Related Credit Event Definitions:**

**Payment Requirement** means the amount specified as such or its equivalent in the relevant Obligation Currency (or, if no amount is so specified, USD 1,000,000 or its equivalent in the relevant Obligation Currency), in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Default Requirement** means the amount specified as such or its equivalent in the relevant Obligation Currency (or, if no amount is so specified, USD 10,000,000 or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the relevant Credit Event.

**Obligation Currency** means the currency or currencies in which an Obligation is denominated.

**Governmental Authority** means

- (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;

- (iii) 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 a Reference Entity or some or of all of its obligations; or
- (iv) any other authority which is analogous to any of the entities specified in paragraphs (i) to (iii).

**Publicly Available Information** means: (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

- (i) has been published in or on not less than two Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
- (ii) is information received from or published by (A) a Reference Entity (or, if a 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) or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (iii) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in paragraphs (a)(ii) or (iii) of this definition of Publicly Available Information is not publicly available, it can only 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 described above in paragraphs (a)(ii) or (iii) of this definition of Publicly Available Information, any person receiving such information may assume that such information has been publicly disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the Issuer or if applicable its Nominee has not taken any action or entered into any agreement or understanding with the relevant Reference Entity or any Affiliate (as defined in the standard form 2002 ISDA Master Agreement) of the relevant Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.
- (c) Without limitation, Publicly Available Information need not state (i) in relation to Downstream Affiliate the percentage of Voting Shares owned by the relevant Reference Entity and (ii) that the relevant occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period or (C) has met the subjective criteria specified in certain Credit Events.
- (d) In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both paragraphs (a)(i) and (ii) of the definition of Repudiation/Moratorium.

**Public Source** means each source of Publicly Available Information specified as applicable (or if no such source is specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which a Reference Entity is organized and any other internationally recognized published or electronically displayed news sources).



### **Part 3: Reference Entity and Successor Provisions:**

**Reference Entity** means each entity specified as such in the terms of the Notes. Any Successor to a Reference Entity either (a) identified by the Calculation Agent pursuant to this Part 3 on or following the Trade Date, or (b) 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 (as determined pursuant and subject as provided in this Part 3).

**Successor** means in relation to a Reference Entity:

- (a) subject to paragraph (c) below, the entity or entities, if any, determined as follows:
  - (i) subject to paragraph (a)(vii) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee to 75% or more of the Relevant Obligations of the relevant Reference Entity, that entity will be the sole Successor;
  - (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25% (but less than 75%) of the Relevant Obligations of the relevant Reference Entity, and not more than 25% of the Relevant Obligations of such Reference Entity remain with such Reference Entity, the entity that succeeds to more than 25% of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25% of the Relevant Obligations of the relevant Reference Entity, and not more than 25% of the Relevant Obligations of such Reference Entity remain with such Reference Entity, the entities that succeed to more than 25% of the Relevant Obligations will each be a Successor, and the Notes will be amended as described below;
  - (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25% of the Relevant Obligations of the relevant Reference Entity and more than 25% of the Relevant Obligations of such Reference Entity remain with such Reference Entity, each such entity and such Reference Entity will each be a Successor, and the Notes will be amended as described below;
  - (v) 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 relevant Reference Entity, but no entity succeeds to more than 25% of the Relevant Obligations of such Reference Entity and such Reference Entity continues to exist, there will be no Successor and such Reference Entity and the Notes will not be changed in any way as a result of such succession;
  - (vi) 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 relevant Reference Entity, but no entity succeeds to more than 25% of the Relevant Obligations of such Reference Entity and such 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, and the Notes will be amended as described below); and
  - (vii) 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 relevant Reference Entity, and at the time of the determination either (A) such Reference Entity has ceased to exist, or (B) such 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.
- (b) 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 under paragraph (a); provided that the Calculation Agent will not make such determination if, at the time of 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 of Successor on the basis of Eligible Information.

In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a), 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.

- (c) 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 1 January 2014;
  - (ii) the relevant 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 such Reference Entity; and
  - (iii) where the relevant Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (d) For the purposes of this Part 3, “**succeed**” means with respect to a Reference Entity and its Relevant Obligations, that an entity other than such 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 relevant 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 of Successor, “**succeeded**” and “**succession**” shall be construed accordingly.
- (e) **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.
- (f) **Relevant Obligations** means the Obligations of a 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:
  - (i) any Bonds or Loans outstanding between the relevant Reference Entity and any of its Affiliates (as defined in the standard form 2002 ISDA Master Agreement), or held by such Reference Entity, shall be excluded;
  - (ii) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph (a) of the definition of Successor, make the appropriate adjustments required to take account of any Obligations of the relevant 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;
  - (iii) if “Financial Reference Entity Terms” is specified as applicable with respect to the relevant Reference Entity and if Senior Transaction applies with respect to the relevant Reference Entity, the Relevant Obligations shall only include the Senior Obligations of the relevant Reference Entity which fall within the Obligation Category “Bond or Loan”; and
  - (iv) if “Financial Reference Entity Terms” is specified as applicable with respect to the relevant Reference Entity, and if Subordinated Transaction applies with respect to the relevant Reference Entity, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the relevant 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 Senior Transaction applied to the relevant Reference Entity.

- (g) In the case of an exchange offer, the determination required pursuant to paragraph (a) of this definition of Successor 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.
- (h) 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 relevant 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.
- (i) **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 relevant Reference Entity, by one or more entities.
- (j) **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 relevant 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 pursuant to paragraph (a) of the definition of Successor would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the relevant Reference Entity or any entity which would constitute a Successor.
- (k) **Successor Backstop Date** means for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date otherwise, the date that is 90 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 Issuer or its Nominee 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.
- (l) **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 a 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.
- (m) **Successor Notice** means a notice from the Issuer or its Nominee to the Calculation Agent and the Noteholders 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 relevant Reference Entity can be determined.  
  
A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to part (a) of the definition of Successor.
- (n) Where, pursuant to sub-paragraph (iii), (iv) or (vi) of paragraph (a) of this definition of Successor, more than one Successor has been identified, the Notes will be amended and other related documentation may be amended as set out and subject as provided below without the consent of Noteholders to reflect the following terms:
  - (i) each Successor will be a Reference Entity and more than one Credit Event may occur during the term of the Notes but, subject to the provision relating to multiple Credit Event Notices in Part 5 below, once only in relation to each Successor;
  - (ii) the Reference Entity Aggregate Nominal Amount of the original Reference Entity will be divided equally between the number of Successors;

- (iii) if a single entity would be a Reference Entity hereunder more than once, then it will be deemed to be a Reference Entity only once hereunder, and the Reference Entity Aggregate Nominal Amount for such Reference Entity will be the sum of the Reference Entity Aggregate Nominal Amounts otherwise applicable to it (and such change shall have no effect on the Aggregate Nominal Amount of the Notes); provided that if the relevant Reference Entity would be deemed to have more than one Transaction Type then, notwithstanding the preceding or anything else to the contrary herein, such Reference Entity will continue to be a Reference Entity more than once hereunder and the terms otherwise provided herein for each such Reference Entity shall continue to apply as if they were unrelated Reference Entities; and
- (iv) all other terms and conditions of the original Notes will remain unaffected except to the extent that modification is required, as determined by the Calculation Agent in its sole and absolute discretion, to preserve the economic effects of the original Notes in the amended Notes.

Any modification determined by the Calculation Agent shall be notified to the Issuer as soon as reasonably practicable after such determination, and the Calculation Agent shall arrange for documentation to be prepared in order to effect such modification to the Notes and any modification to all other documents relating thereto which the Calculation Agent determines in its sole and absolute discretion to be necessary or desirable as a consequence of such modification to the Notes. Upon execution of such documentation by the parties thereto, the Issuer or its Nominee shall give notice of such modification to the Noteholders, and the Issuer shall not be responsible or liable for the terms of any such modification effected in accordance with any such determination by the Calculation Agent.

- (o) **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.

#### **Part 4A: Obligation and Deliverable Obligation Categories and Characteristics:**

**Obligation** means, in relation to a Reference Entity: (i) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) described by the specified Obligation Category and, subject to Part 4B below, having each of the Obligation Characteristics (if any) 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 (ii) the Reference Obligation, in each case, unless it is an Excluded Obligation.

**Obligation Category** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified, and:

- (i) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
- (ii) **"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 borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
- (iii) **"Reference Obligation Only"** means, in relation to a Reference Entity, any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only;
- (iv) **"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;
- (v) **"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; and
- (vi) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.

**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, and:

- (i) (A) **"Not Subordinated"** means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable;
- (B) **"Subordination"** means, with respect to an obligation (the "Second Obligation") and another obligation of a Reference Entity to which such obligation is being compared (the "First Obligation"), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganization or winding-up of such 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 (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against such Reference Entity at any time that such 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 relevant 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 applicable, 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; and
- (C) **"Prior Reference Obligation"** means, in circumstances where no Reference Obligation is applicable, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II)

the obligation specified 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 relevant Reference Entity;

- (ii) **"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in the terms of the Notes (or, if **"Specified Currency"** is specified 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;
- (iii) **"Not Sovereign Lender"** means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization 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";
- (iv) **"Not Domestic Currency"** means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency;
- (v) **"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;
- (vi) **"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (vii) **"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 relevant 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 relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant 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 relevant Reference Entity.

**Deliverable Obligation** means in respect of a Reference Entity

- (a) any obligation of the relevant Reference Entity (either directly or as provider of a Relevant Guarantee) described by the specified Deliverable Obligation Category and, subject to Part 4B below, having each of the Deliverable Obligation Characteristics as of the date of delivery of the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the Physical Redemption Date (unless otherwise specified) or, in the case of Cash Redemption as of the date of delivery of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date (unless otherwise specified);
- (b) the Reference Obligation for such Reference Entity;
- (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; and
- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if "Financial Reference Entity Terms" is specified as applicable) or any Package Observable Bond (if the relevant Reference Entity is a Sovereign),

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 paragraph (d), immediately prior to the relevant Asset Package Credit Event).

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

**Deliverable Obligation Characteristics** means 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, and:

- (i) **"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 or organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent;
- (ii) **"Consent Required Loan"** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent;
- (iii) **"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 each Noteholder that provides each 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 each 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) such other participation seller (if any) as may be specified (to the extent such participation seller is then a lender or a member of the relevant lending syndicate);
- (iv) **"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;
- (v) **"Maximum Maturity"** means an obligation that has a remaining maturity of not greater than thirty years (unless otherwise specified);
- (vi) **"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; and
- (vii) **"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 recognized clearing system.

**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 relevant Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of Deliverable Obligation set out in part (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.

**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](http://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 the definition of Deliverable Obligation set out in (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.

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the Credit Event Notice or DC Credit Event Announcement has occurred and (b) which fell within the definition of a Deliverable Obligation set out in paragraph (a) of the definition of Deliverable Obligation immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Excluded Obligation** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the terms of the Notes;
- (b) if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity and Senior Transaction applies with respect to such Reference Entity, 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 with respect to the relevant Reference Entity and Subordinated Transaction applies with respect to such Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**Excluded Deliverable Obligation** means:

- (a) any obligation of a Reference Entity specified as such or of a type described in the terms of the Notes;
- (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.

**Domestic Currency** means the currency specified in the terms of the Notes and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the relevant Reference Entity, if the relevant Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the relevant Reference Entity is not a Sovereign).

**Domestic Law** means each of the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organized, if such Reference Entity is not a Sovereign.

**Solvency Capital Provisions** means any terms in an obligation which permit the relevant 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.

**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 relevant Reference Entity.

**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.

**Due and Payable Amount** means the amount that is due and payable by a 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 date of delivery of the Notice of Physical Settlement or if the Notice of Physical Settlement is changed, the date notice of the last such change is given (or if the terms of the obligation are amended after such date but on or



prior to the date for delivery of the Portfolio, the date for delivery of the Portfolio) or (B) the Valuation Date, as applicable.

**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 a Reference Entity or any applicable Underlying Obligor.

**Permitted Contingency** means, with respect to an obligation, any reduction to a 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 such 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 such 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; or
  - (v) provisions which permit such 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; 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.

**Outstanding Principal Balance** of an obligation will be calculated as follows:

- (a) (i) first, by determining, in respect of the obligation, the amount of the relevant Reference Entity's principal payment obligations and, where applicable in accordance with Part 4D below, the relevant 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 relevant Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
  - (ii) 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 in paragraph (a)(i) less any amounts subtracted in accordance with paragraph (a)(ii), the "**Non-Contingent Amount**"; and
  - (iii) 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 date of delivery of the Notice of Physical Settlement or if the Notice of Physical Settlement is changed, the date notice of the last such change is given (or if the terms of the obligation are amended after such date but on or prior to the date for delivery of the Portfolio, the date for delivery of the Portfolio), 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).
- (b) **Quantum of the Claim** means the lowest amount of the claim which could be validly asserted against a 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.

**Qualifying Guarantee** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which a 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:

- (i) which is structured as a surety bond, financial guarantee insurance policy, letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the relevant 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; or
    - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable.

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 relevant 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 relevant 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.

**Relevant Guarantee** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable, a Qualifying Guarantee.

**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.

**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 relevant Reference Entity to the same single transferee.

**Fixed Cap** means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the relevant 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).

**Guarantee** means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**Sovereign Restructured Deliverable Obligation** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring Credit Event that is the subject of a Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category and having the Deliverable Obligation Characteristics in each case immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

**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).

#### **Part 4B: Interpretation of Provisions**

The following shall apply to the interpretation of certain provisions set out in Part 4A above:

- (a) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified, the terms of the Notes shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- (b) If (i) either of the Deliverable Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified, the terms of the Notes shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds, (ii) the Deliverable Obligation Characteristic "Transferable" is specified, the terms of the Notes 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, or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified, the terms of the Notes shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.
- (c) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Deliverable Obligation Characteristics, 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.
- (d) 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 satisfy 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 or dates each of the applicable specified Obligation Characteristics or Deliverable Obligation Characteristics 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 specified Obligation Characteristics or the Deliverable Obligation Characteristics 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"; and
  - (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.
- (e) 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.
- (f) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as applicable, 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 relevant 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.
- (g) For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in Sections C (Mod R) and D (Mod Mod R) of Part 5 below 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.

- (h) If "Subordinated European Insurance Terms" is specified as applicable, 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.

#### **Part 4C: Provisions relating to Reference Obligations**

**Reference Obligation** means in respect of a Reference Entity, the Standard Reference Obligation, if any, unless:

- (a) "Standard Reference Obligation" is specified as not applicable, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or
- (b) (i) "Standard Reference Obligation" is specified as applicable (or no election is specified), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified, 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.

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

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

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

**No Standard Reference Obligation** means 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 relevant Reference Entity shall constitute the Reference Obligation.

**Original Non-Standard Reference Obligation** means the obligation of a Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation (if any is so specified) provided that if an obligation is not an obligation of the relevant Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless (a) this provision is expressly amended or overridden in the terms of the Notes, or (b) Reference Obligation Only Trade is applicable.

**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.

**Reference Obligation Only Trade** means in respect of a Reference Entity (a) "Reference Obligation Only" is specified as the Obligation Category and the Deliverable Obligation Category and (b) "Standard Reference Obligation" is specified as not applicable. If the Calculation Agent becomes aware that an event set out in paragraph (a) of the definition of Substitution Event has occurred with respect to the Reference Obligation in a Reference Obligation Only Trade, the Calculation Agent shall, as soon as reasonably practicable thereafter, give notice to the Noteholders designating a date for redemption of the relevant portion of the Notes and the relevant portion of the Notes shall be redeemed at an amount in the currency of denomination of the Notes equal to the outstanding principal balance of the Notes to be redeemed, minus the Break Costs, subject to a minimum of zero, unless the Notes have otherwise fallen due for redemption.

Notwithstanding the definition of Substitute Reference Obligation, (i) no Substitute Reference Obligation shall be determined in respect of a Reference Obligation Only Trade and (ii) if the events set out in paragraph (b) or (c) of the definition of Substitution Event occur with respect to the Reference Obligation in a Reference Obligation Only Trade, such Reference Obligation shall continue to be the Reference Obligation.

**Seniority Level** means, with respect to an obligation of a Reference Entity, (a) "Senior Level" or "Subordinated Level" as specified, or (b) if no such seniority level is specified, "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 a Reference Entity.

**Senior Transaction** means, with respect to a Reference Entity, that (a) the Reference Obligation or Prior Reference Obligation, as applicable, in relation to such Reference Entity is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation in relation to such Reference Entity.

**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.

**SRO List** means the list of Standard Reference Obligations as published by ISDA on its website at [www.isda.org](http://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 a Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

**Subordinated Obligation** means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of a Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the relevant Reference Entity existed.

**Subordinated Transaction** means, with respect to a Reference Entity, that the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

**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 (in its sole and absolute discretion) identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) of this definition of Substitute Reference Obligation 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 (a) or (c) 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) of the definition of Substitute Reference Obligation).

If the event set forth in paragraph (b) 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 (a) or (c) 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 relevant 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:
    - (I) 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,
    - (II) 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:
    - (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - (II) 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,
    - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - (IV) 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:
    - (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
    - (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - (III) 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,
    - (IV) 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) of this definition of Substitute Reference Obligation, 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 Notes, as determined by the Calculation Agent (in its sole and absolute discretion). The Calculation Agent will notify the Issuer and the Noteholders of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) of this definition of Substitute Reference Obligation 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) of this definition of Substitute Reference Obligation and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) of this definition of Substitute Reference Obligation, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

**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 Date** means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent gives notice in accordance with the definition of Substitute Reference Obligation of the Substitute Reference Obligation that it has 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 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 relevant 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 paragraphs (a) or (b) has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b), as the case may be, on the Trade Date.

**Substitution Event Date** means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

**Part 4D: Provisions relating to Accrued Interest**

The following provisions relating to accrued interest apply:

- (a) if the Physical Redemption Terms are applicable, the Outstanding Principal Balance of the Deliverable Obligations being delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified, 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 in its sole and absolute discretion); or
- (b) if the Cash Redemption Terms are applicable, the Outstanding Principal Balance of the Valuation Obligations comprised in the Valuation Portfolio will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified, in which case, the Outstanding Principal Balance of the Valuation Obligations comprised in the Valuation Portfolio will include accrued but unpaid interest (as the Calculation Agent shall determine in its sole and absolute discretion).

## **Part 5: Restructuring:**

### **(A) Multiple Holder**

Unless Multiple Holder Obligation is specified as not applicable, then, notwithstanding anything to the contrary in the provisions of the definition of Restructuring, the occurrence of, agreement to, or announcement of, any of the events described in paragraphs (a)(i) to (v) of the definition of Restructuring shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**Multiple Holder Obligation** means an Obligation that (i) at the time the Credit Event Notice is delivered, is held by more than three holders that are not Affiliates (as defined in the standard form 2002 ISDA Master Agreement) of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the 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 which would otherwise constitute a Restructuring Credit Event. Any Obligation that is a Bond shall be deemed to satisfy the requirement of sub-paragraph (ii) of this definition of Multiple Holder Obligation.

### **(B) Credit Event Notices after M(M)R Restructuring**

Upon the occurrence of an M(M)R Restructuring:-

- (i) the Issuer or its Nominee may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such Credit Event Notice setting forth the portion of the aggregate outstanding nominal amount of the Notes to which such Credit Event Notice applies (the “**Exercise Amount**”) provided that if the Credit Event Notice does not specify an Exercise Amount, then the relevant Reference Entity’s Reference Entity Aggregate Nominal Amount (and not a portion thereof) will be deemed to have been specified as the Exercise Amount;
- (ii) if the Issuer or its Nominee has delivered a Credit Event Notice with respect to a Reference Entity that specifies an Exercise Amount that is less than such Reference Entity’s Reference Entity Aggregate Nominal Amount, the terms and conditions of the Notes shall, with effect from the date such Credit Event Notice is effective, be construed as if the Notes comprised two Series of Notes (and each Note, or the minimum denomination thereof (as applicable), shall be deemed to be split accordingly), one of which has an aggregate outstanding principal amount equal to the Exercise Amount and will be redeemed in accordance with the Auction Redemption Terms, the Physical Redemption Terms or the Cash Redemption Terms, as applicable, and the other of which will have an aggregate principal amount equal to the aggregate outstanding principal amount of the Notes outstanding prior to such Credit Event Notice minus the Exercise Amount (and the Reference Entity Aggregate Nominal Amount with respect to such Reference Entity shall be equal to the Reference Entity Aggregate Nominal Amount with respect to such Reference Entity prior to such Credit Event Notice minus the Exercise Amount) and will continue in effect (subject to any adjustments required to preserve the effects of the original Notes as determined by the Calculation Agent and in its sole and absolute discretion);
- (iii) the Exercise Amount in connection with a Credit Event Notice describing an M(M)R Restructuring must be in the amount of 1,000,000 units of the currency (or if Japanese Yen 100,000,000 units) in which the aggregate outstanding nominal amount is denominated or an integral multiple thereof.

### **(C) Mod R**

If (i) Physical Redemption is specified as the applicable Credit Event Redemption Method (or if Physical Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms) or if Cash Redemption is specified as the applicable Credit Event Redemption Method (or otherwise applies) (ii) “Mod R” is applicable and (iii) Restructuring is the only Credit Event specified in the 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 may only be delivered or used as a Valuation Obligation on a Cash Redemption if (i) it is a Fully Transferable Obligation and (ii) it has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case as of both the date of delivery of the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the date for delivery of the Portfolio (or, in the case of Cash Redemption, both the date of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date).

**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 date of delivery of the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the date for delivery of the Portfolio or, in the case of Cash Redemption, both the date of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation 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 these purposes.

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

**Eligible Transferee** means:

- (a) any
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in paragraph (c)(i) below); or
  - (iv) 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.\$500,000,000;
- (b) an Affiliate (as defined in the standard form 2002 ISDA Master Agreement) of an entity specified in the preceding paragraph (a);
- (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 (1) has total assets of at least U.S.\$100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100,000,000; or
  - (ii) that has total assets of at least U.S.\$500,000,000; 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 paragraphs (a), (b), (c)(ii) or (d); and
- (d) (i) any Sovereign; or
  - (ii) any entity or organization 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.

All references in this definition to U.S.\$ include equivalent amounts in other currencies as determined by the Calculation Agent.

## **(D) Mod Mod R**

If (i) Physical Redemption is specified as the applicable Credit Event Redemption Method (or if Physical Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms) or if Cash

Redemption is specified as the applicable Credit Event Redemption Method (or otherwise applies) (ii) “Mod Mod R” is applicable and (iii) Restructuring is the only Credit Event specified in the 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 may only be delivered or used as a Valuation Obligation on a Cash Redemption if (i) it is a Conditionally Transferable Obligation and (ii) it has a final maturity date not later than the Modified Restructuring Maturity Limitation Date in each case, as of both the Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the date for delivery of the Portfolio (or, in the case of Cash Redemption, both the date of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date). Notwithstanding the foregoing, for purposes of this part (D), 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 date of such Bond or Loan 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.

**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 Notice of Physical Settlement (or, if the Notice of Physical Settlement is changed, the date notice of the last such change is given) and the date for delivery of the Portfolio or, in the case of Cash Redemption, both the date of the Notice of Valuation Obligations (or, if the Notice of Valuation Obligations is changed, the date notice of the last such change is given) and the Valuation Date, provided however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the relevant Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if the relevant 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 will 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 these purposes.

For purposes of determining whether a Deliverable Obligation is Transferable or is capable of being assigned or novated to Modified Eligible Transferees, such determination shall be made as of the Physical Redemption Date or Valuation Date, as applicable, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer or its Nominee.

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

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

**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.

#### **(E) General Terms Relating to Mod R and Mod Mod R**

**Limitation Date** means the first of 20 March, 20 June, 20 September or 20 December 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.

**Restructured Bond or Loan** means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**Restructuring Date** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

For the purposes of making a determination pursuant to the definition of Mod R and the definition of Mod Mod R, final maturity date shall, subject to part (a) of the definition of Mod Mod R, 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 final maturity date shall be deemed to be the date on which such determination is made.

## **Part 6: Other provisions**

### **Redemption following Breach of Selling Restrictions:**

If the Notes are sold or otherwise transferred to any person in breach of: (i) any applicable restrictions on sale of securities; and/or (ii) any restrictions, rules and/or regulations which are applicable to the sale of securities to US Persons (as defined in Regulation S under the United States Securities Act of 1933, as amended) or to any person other than Non-United States Persons (as defined by the United States Commodity Futures Trading Commission) (in each case as determined by [UBS Limited] in its sole and absolute discretion with regards or by reference to the facts and circumstances then existing), the Issuer may, in its sole and absolute discretion, choose to redeem the Notes sold to that person at the Sale Restriction Redemption Amount at any time upon notice to the relevant Noteholders (the **"Sale Restriction Redemption Date"**) and no further amounts will be due to such Noteholders after payment of the Sale Restriction Redemption Amount. The **"Sale Restriction Redemption Amount"** is the fair market value of the relevant Notes (including any accrued interest) on the fifth Business Day before the Sale Restriction Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.

### **Redemption following Reference Entity becoming Noteholder:**

If at any time the Issuer or its Nominee becomes aware that any Noteholder is a Reference Entity, the Issuer may, in its sole and absolute discretion, choose to redeem the Notes of that Noteholder at the Noteholder Reference Entity Redemption Amount at any time upon notice to such Noteholder and the Calculation Agent (the **"Noteholder Reference Entity Redemption Date"**) and no further amounts will be due to such Noteholder after payment of the Noteholder Reference Entity Redemption Amount. The **"Noteholder Reference Entity Redemption Amount"** is the fair market value of the relevant Notes (including any accrued interest) on the fifth Business Day before the Noteholder Reference Entity Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.

Neither the Issuer nor any of its affiliates shall be responsible for monitoring the identity of each Noteholder from time to time.

### **Tax Redemption:**

If applicable and the Issuer is required to pay Additional Amounts, the Issuer may redeem the Notes at the Tax Redemption Amount at any time upon notice to the Noteholders (the **"Tax Redemption Date"**) and no further amounts will be due to Noteholders after payment of the Tax Redemption Amount. The **"Tax Redemption Amount"** is the fair market value of the Notes (including any accrued interest) on the fifth Business Day before the Tax Redemption Date, less any loss of bargain and cost of funding incurred by the Issuer, all as determined by the Calculation Agent in its sole and absolute discretion.

### **Early Redemption Amount following an Event of Default:**

For the purpose of Condition 7(i)(ii) and Condition 11, the Early Redemption Amount shall be equal to the fair market value of the Notes (including any accrued interest) on the date of redemption; provided that the creditworthiness of the Issuer shall not be taken into account in relation to any determination of the fair market value of the Notes. Notwithstanding anything to the contrary in Condition 11, no accrued interest (if any) shall be payable except to the extent included in the fair market value of the Notes as aforesaid.

### **Application of Credit Derivatives Physical Settlement Matrix:**

If the terms of the Notes identify a "Transaction Type" that is included in the Credit Derivatives Physical Settlement Matrix, the terms set out in the Credit Derivatives Physical Settlement Matrix with respect to such "Transaction Type" shall *mutatis mutandis* be deemed to apply to the Notes except to the extent otherwise provided in the terms of the Notes.

**"Credit Derivatives Physical Settlement Matrix"** means the "Credit Derivatives Physical Settlement Matrix", as most recently amended and supplemented as at the Trade Date (unless otherwise provided in the terms of the Notes) and as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) (which website or any such successor website shall not form part of the Pricing Supplement or, if applicable, the drawdown prospectus with respect to the Notes); provided that if the Calculation Agent determines in its sole and absolute discretion that any provision in the Credit Derivatives Physical Settlement Matrix is not relevant to the Notes or is inconsistent with any

other provision of this Schedule or the terms of the Notes, then such provision shall be ignored to the extent that the Calculation Agent so determines it not to be relevant or to be inconsistent.

**Nominee:** If the Issuer is not UBS AG, London Branch, the Nominee of the Issuer shall be UBS AG, London Branch.