

## OFFERING MEMORANDUM



### INVESTEC BANK PLC

*(incorporated with limited liability in England and Wales with registered number 489604)*

### **£4,000,000,000 Impala Bonds Programme**

Under this £4,000,000,000 Impala Bonds Programme (the "**Programme**"), Investec Bank plc (the "**Issuer**") may from time to time issue notes (the "**Notes**"), including Notes that are linked to the performance or movement of one or more underlying assets (each an "**Underlying**"), including (i) a single share (which may be an exchange traded fund ("**ETF**") share) or a basket of shares (which may be a basket of ETF shares) (such Notes being the "**Equity Linked Notes**"), (ii) a single index or a basket of indices (such Notes being the "**Index Linked Notes**"), (iii) a single fund interest or a basket of fund interests (such Notes being the "**Fund Linked Notes**"), (iv) multiple underlyings, being any combination of single shares, single indices, single fund interests, baskets of indices, baskets of shares and baskets of fund interests (such Notes being the "**Multi Underlying Linked Notes**") and (v) a specified inflation linked index (such Notes being the "**Inflation Linked Notes**").

**An investment in Notes issued under the Programme involves certain risks.** For a discussion of these, see "**Risk Factors**" below.

This Offering Memorandum has been prepared for the purpose of providing disclosure information with regard to the Notes to be admitted to the Official List of the Irish Stock Exchange plc trading as Euronext Dublin (the "**Irish Stock Exchange**") and trading on its Global Exchange Market. The Irish Stock Exchange's Global Exchange Market is not a regulated market for the purposes of EU Directive 2014/65/EU (MiFID II). **This Offering Memorandum constitutes listing particulars for the purposes of listing on the Irish Stock Exchange's Official List and trading on its Global Exchange Market and does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation").** Application has been made for this Offering Memorandum to be approved by the Irish Stock Exchange and the Notes to be admitted to the Irish Stock Exchange's Official List and to trading on its Global Exchange Market. Investors should note that securities to be admitted to the Irish Stock Exchange's Official List and trading on its Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

**This Offering Memorandum does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of the Prospectus Regulation. This Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU and not to be offered to the public in a Member State or the United Kingdom (other than pursuant to one or more of the exemptions set out in the Prospectus Regulation).**

**Information on how to use this Offering Memorandum is set out on pages ii to v and a table of contents is set out on page ix.**

**Certain terms or phrases in this Offering Memorandum are defined in bold font and references to those terms elsewhere in this Offering Memorandum are designated with initial capital letters. The locations in this Offering Memorandum where these terms are first defined are set out in an Index of Defined Terms at the end of this Offering Memorandum.**

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or will be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The Issuer has been assigned the following long-term credit ratings: BBB+ by Fitch Ratings Limited ("**Fitch**"), A1 by Moody's Investors Service Limited ("**Moody's**") and BBB+ by Global Credit Rating Co. ("**Global Credit Rating**"). Each of Fitch and Moody's is a credit rating agency established in the European Economic Area Union ("**EEA**") or in the United Kingdom (the "**UK**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Each of Fitch and Moody's appears on the latest update of the list of registered credit rating agencies (as of 14 November 2019) on the European Securities and Markets Authority website <http://www.esma.europa.eu>. Global Credit Rating is not established in the European Economic Area ("**EEA**") or in the UK and is not certified under the CRA Regulation and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

The distribution of this Offering Memorandum and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Notes in bearer form for U.S. tax purposes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Notes that are in bearer form for U.S. tax purposes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**"). However, the Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

#### **Investec Bank plc and Investec Europe Limited**

#### *Dealers*

The date of this Offering Memorandum is 30 March 2020.

## HOW TO USE THIS OFFERING MEMORANDUM

### Introduction – Who is the Issuer?

The Notes will be issued by Investec Bank plc (the "**Issuer**"). The payment of principal amounts due under the Notes is subject to the Issuer's financial position and its ability to meet its obligations.

The registration document for the Issuer (the "**Registration Document**") which is incorporated by reference into this Offering Memorandum, together with other information provided in this Offering Memorandum, provides a description of the Issuer's business activities as well as certain financial information and material risks related to the Issuer.

### Types of Notes

This Offering Memorandum provides information about Notes that may be issued under the Programme. Types of Notes which may be issued include, among others:

- (i) "**Equity Linked Notes**" (i.e. Notes whose return is linked to a single share or ETF or a basket of shares or ETFs).
- (ii) "**Index Linked Notes**" (i.e. Notes whose return is linked to a single index or a basket of indices).
- (iii) "**Fund Linked Notes**" (i.e. Notes whose return is linked to a single fund interest or a basket of fund interests).
- (iv) "**Multi Underlying Linked Notes**" (i.e. Notes whose return is linked to two or more separate underlying assets, being a combination of single shares, single indices, single fund interests, baskets of shares, baskets of indices and baskets of fund interests).
- (v) "**Inflation Linked Notes**" (i.e. Notes whose return is linked to the RPI or any other single inflation index).
- (vi) "**Secured Notes**" (i.e. Notes which are secured. Such Notes are secured by security created by the Issuer over a pool of collateral (the "**Collateral Pool**"). Each Collateral Pool may secure one Series of Notes only, or more than one Series of Notes, as specified in the applicable Pricing Supplement).
- (vii) "**Credit Linked Notes**" (i.e. Notes whose return is linked, in part, to the credit of one or more financial institutions, corporations and/or sovereign entities).

The roadmap below indicates which sections of this Offering Memorandum are particularly relevant for Notes with each of these respective features.

Notes may also be linked to more than one of these variables above.

### What other documents do I need to read?

This Offering Memorandum (including the Registration Document and the other information which is incorporated by reference) contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Notes. Some of this information is incorporated by reference from other publicly available documents and some of this information is completed in an issue-specific document called the Pricing Supplement. You should read the documents incorporated by reference, as well as the Pricing Supplement in respect of such Notes, together with this Offering Memorandum.

### What information is included in the Pricing Supplement?

While this Offering Memorandum includes general information about all Notes, the Pricing Supplement is the document that sets out the specific details of each particular issuance of Notes. For example, the Pricing Supplement will:

- (i) reference the terms and conditions set out in this Offering Memorandum which are applicable to the relevant Series of Notes (and specify (a) any amendments in respect of such terms and conditions in respect of the relevant Series of Notes, and/or (b) any other information needed to

complete such terms and conditions for the relevant Series of Notes (identified by the words 'as specified in the Pricing Supplement' or other equivalent wording) and/or (c) where such terms and conditions include optional provisions, which of those provisions apply to the relevant Series of Notes) and/or set out in full the terms and conditions applicable to the relevant Series of Notes; and

- (ii) set out:
- (a) the issue date;
  - (b) the scheduled redemption date;
  - (c) (under the section entitled "*Additional Provisions relating to the Underlying*" in the Pricing Supplement), additional information including disclaimers relating to (1) in relation to Index Linked Notes and Multi Underlying Linked Notes in respect of which one or more underlyings is an index, the relevant index (or indices) underlying such Note; or (2) in relation to Credit Linked Notes, one or more financial institutions, corporations and/or sovereign entities or any successor(s) thereto (each a "**Reference Entity**") specified in such Credit Linked Note.

## Roadmap

Prospective investors are advised to read the sections of the Offering Memorandum relevant to the type of Notes they are contemplating investing in, as specified below.

### ***Investment in:***

### ***Required reading:***

#### **Any Notes**

- (1) Front cover and "Important Notices" section
- (2) Part A (including but not limited to the section entitled "*Risk Factors*")

**Equity Linked Notes** (including, without limitation, Kick Out Notes with Capital at Risk, Kick Out Notes without Capital at Risk, Phoenix Kick Out Notes with Capital at Risk, Upside Notes with Capital at Risk, Upside Notes without Capital at Risk, N Barrier (Income) Notes with Capital at Risk, Range Accrual (Income) Notes with Capital at Risk, Range Accrual (Income) Notes without Capital at Risk, Reverse Convertible Notes with Capital at Risk, in each case where such Notes are specified in the relevant Pricing Supplement as being Equity Linked Notes)

- (1) Front cover and "Important Notices" section
- (2) Part A (including but not limited to the section entitled "*Risk Factors*", particularly, but not limited to, the sub-section entitled "*Risks related to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes*")
- (3) Part B (if the Equity Linked Notes are not Secured and/or are not Credit Linked, investors are not required to read Parts C, D or E)

**Index Linked Notes** (including, without limitation, Kick Out Notes with Capital at Risk, Kick Out Notes without Capital at Risk, Phoenix Kick Out Notes with Capital at Risk, Upside Notes with Capital at Risk, Upside Notes without Capital at Risk, N Barrier

- (1) Front cover and "Important Notices" section
- (2) Part A (including but not limited to the section entitled "*Risk Factors*", particularly, but not limited to, the sub-section entitled "*Risks related to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes*")

**Investment in:****Required reading:**

(Income) Notes with Capital at Risk, Range Accrual (Income) Notes with Capital at Risk, Range Accrual (Income) Notes without Capital at Risk or Reverse Convertible Notes with Capital at Risk, in each case where such Notes are specified in the relevant Pricing Supplement as being Index Linked Notes)

- (3) Part B (if the Index Linked Notes are not Secured and/or are not Credit Linked, investors are not required to read Parts C, D or E)

**Fund Linked Notes**

- (1) Front cover and "Importance Notices" section
- (2) Part A (including but not limited to the section entitled "*Risk Factors*", particularly, but not limited to, the sub-section entitled "*Risks related to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes*")
- (3) Part B (if the Fund Linked Notes are not Secured and/or are not Credit Linked, investors are not required to read Parts C, D or E)

**Multi Underlying Linked Notes** (including, without limitation, Dual Underlying Kick Out Notes with Capital at Risk or Dual Underlying Upside Notes with Capital at Risk)

- (1) Front cover and "Important Notices" section
- (2) Part A (including but not limited to the section entitled "*Risk Factors*", particularly, but not limited to, the sub-section entitled "*Risks related to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes*")
- (3) Part B (if the Multi Underlying Linked Notes are not Secured and/or are not Credit Linked, investors are not required to read Parts C, D or E)

**Inflation Linked Notes** (including, without limitation, Inflation Linked Notes without Capital at Risk, Inflation (Interest only) Linked Notes without Capital at Risk or Inflation Linked Notes with Capital at Risk)

- (1) Front cover and "Important Notices" section
- (2) Part A (including but not limited to the section entitled "*Risk Factors*", particularly, but not limited to, the sub-section entitled "*Risks related to Inflation Linked Notes*")
- (3) Part C (if the Inflation Linked Notes are not Secured and/or are not Credit Linked, investors are not required to read Parts B, D or E)

**Any Secured Notes**

- (1) Front cover and "Important Notices" section
- (2) Part A (including but not limited to the section entitled "*Risk Factors*", particularly, but not limited to, the sub-section entitled "*Risks related to Secured Notes*")
- (3) Part B (if Notes are Equity Linked, Index Linked, Fund Linked or Multi Underlying Linked)
- (4) Part C (if Notes are Inflation Linked)
- (5) Part D
- (6) Part E (if Notes are Credit Linked)

**Investment in:****Required reading:****Any Credit Linked Notes**

- (1) Front cover and "Important Notices" section
- (2) Part A (including but not limited to the section entitled "*Risk Factors*", particularly, but not limited to, the sub-section entitled "*Risks related to Credit Linked Notes*")
- (3) Part B (if Notes are Equity Linked, Index Linked, Fund Linked or Multi Underlying Linked)
- (4) Part C (if Notes are Inflation Linked)
- (5) Part D (if Notes are Secured)
- (6) Part E

**Fungible issuances**

In the case of any issue of Notes which is to be consolidated and form a single Series with an existing Series, the first tranche of which was issued prior to the date of this Offering Memorandum, the Pricing Supplement for such Notes shall be read together with the 2016 Conditions, the 2017 Conditions, the 2018 Conditions, the 2019 Conditions and/or the 2020 Conditions (as defined in the section headed "*Documents Incorporated by Reference*" below), as applicable.

Accordingly, investors investing in such Notes will need to read the relevant parts of this Offering Memorandum applicable to the relevant Notes as further explained in the "*Roadmap*" section above (e.g. for Equity Linked Notes (that are not Secured Notes or Credit Linked Notes) the Front Cover and "Important Notices" section, Part A and Part B) except that investors should read the 2016 Conditions, the 2017 Conditions, the 2018 Conditions, the 2019 Conditions and/or the 2020 Conditions (as applicable) in place of the terms and conditions appearing in this Offering Memorandum.

**Definitions**

In this Offering Memorandum, "**Conditions**" means the General Conditions of the Notes (as set out in Part A of this Offering Memorandum).

In addition to these Conditions, certain terms and redemption provisions relating to Equity Linked Notes, Index Linked Notes, Fund Linked Notes, Multi Underlying Linked Notes (as set out in Part B of this Offering Memorandum) and Inflation Linked Notes (as set out in Part C of this Offering Memorandum) will apply to the Notes if so specified in the relevant Pricing Supplement, and which terms may be amended or supplemented in respect of any Series of Notes in such relevant Pricing Supplement. "**Terms**" means the Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes or Terms for Inflation Linked Notes as applicable, and as amended or supplemented in the relevant Pricing Supplement and the set of redemption provisions specified as applicable in the relevant Pricing Supplement.

Further, in addition to the Conditions and any Terms applicable to the Notes, certain further additional terms relating to the Secured Notes (as set out in Part D of this Offering Memorandum) and/or Credit Linked Notes (as set out in Part E of this Offering Memorandum) will apply to the Notes if so specified in the relevant Pricing Supplement, and which terms may be amended or supplemented in respect of any Series of Notes in such relevant Pricing Supplement. "**Additional Terms**" means, as applicable, the Additional Terms for Secured Notes or the Additional Terms for Credit Linked Notes as amended or supplemented in the relevant Pricing Supplement.

Other than as expressly defined in any other section of this Offering Memorandum or the Pricing Supplement, terms defined in the Conditions, the Terms, the Additional Terms and the "*Summary of Provisions Relating to the Notes while in Global Form*" have the same meanings in other all sections of this Offering Memorandum.

## Structure of the Offering Memorandum

This Offering Memorandum is divided into sections, each of which is briefly described below.

### PART A

<b>Important Notices</b> sets out important information about the Issuer's responsibility for this Offering Memorandum and provides information about its authorised use by financial intermediaries.	Page viii
<b>Risk Factors</b> provides details of the principal risks associated with the Issuer and the Notes which may be issued under the Programme.	Page 2
<b>Documents Incorporated by Reference</b> provides details of documents which form part of this Offering Memorandum and which are available in the public domain, but which are not set out in full in this document. Prospective investors are advised to review the information incorporated by reference into this Offering Memorandum before deciding to invest in any Notes issued under the Programme.	Page 38
<b>Description of the Features of the Notes</b> provides details of how an investment in the Notes works, including a description of the main features of the Notes.	Page 40
<b>General Conditions of the Notes</b> sets out the legal conditions which govern all Notes issued under the Programme.	Page 46
<b>Pro Forma Pricing Supplement</b> sets out a template of the "Pricing Supplement", a document which will be filled out for each particular issuance of Notes and which will contain information additional to the information in the Conditions, the Terms and the Additional Terms of the Notes (as applicable) which is not known at the time of publishing the Offering Memorandum but which is relevant to a particular issuance of Notes, including details of the underlying assets and how payments under the Notes will be calculated.	Page 78
<b>Summary of Provisions relating to the Notes While in Global Form</b> describes the features of the Notes when issued in Global Form. Notes will be initially issued in the form of a global note (" <b>Global Form</b> " or " <b>global form</b> ").	Page 113
<b>Taxation</b> provides a summary of the United Kingdom withholding tax position in relation to the Notes and also provides information in relation to U.S. withholding tax under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended or successor provisions), (commonly referred to as " <b>FATCA</b> ") and the proposed financial transactions tax (" <b>FTT</b> ").	Page 117
<b>Subscription and Sale of Notes</b> sets out details of the arrangements between the Issuer and the Dealers as to the offer and sale of Notes under the Programme and contains selling restrictions that may be applicable in respect of the offer and sale of Notes in different jurisdictions.	Page 120
<b>General Information in Relation to All Notes</b> provides additional, general disclosure on the Programme and the Issuer not included in other sections of the Offering Memorandum to be considered by prospective investors.	Page 126

### PART B

<b>Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes</b> sets out the further information relating to Equity Linked, Index Linked, Fund Linked and Multi Underlying Linked Notes, including legal terms for Equity Linked, Index Linked, Fund Linked and Multi Underlying Linked Notes and formulae for calculation of redemption prices and interest relating to certain types of Equity Linked, Index Linked, Fund Linked and Multi Underlying Linked Notes issuable under the Programme.	Page 129
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## **PART C**

**Inflation Linked Notes** sets out the further information relating to each type of Inflation Linked Note, legal terms and formulae for calculation of redemption prices and interest relating to Notes issuable under the Programme. Page 207

## **PART D**

**Additional Terms of the Secured Notes** sets out the additional legal terms and conditions that apply to Secured Notes. Page 218

## **PART E**

**Additional Terms of the Credit Linked Notes** sets out the additional legal terms and conditions that apply to Credit Linked Notes. Page 223

## **GLOSSARY**

**Glossary** provides an explanation of certain technical terms used in the Offering Memorandum. Page 238

**Index of Defined Terms** contains a list of the defined terms used in the Offering Memorandum and indicates the page of the Offering Memorandum on which the definition for each relevant defined term can be found. Page 240

## IMPORTANT NOTICES

### *Responsibility for information in the Offering Memorandum*

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

Except for Investec Bank plc (which as Issuer takes responsibility for this Offering Memorandum as described above), no dealer (being the Issuer and any other person from time to time to whom Notes are issued and who is appointed by the Issuer as a dealer under the Programme (each, a "Dealer" and together, the "Dealers")), nor Deutsche Trustee Company Limited (the "Trustee") have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Memorandum or any other information provided by the Issuer in connection with the Programme. Neither the Dealers nor the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Memorandum or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Memorandum or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Trustee.

### *Risk warnings relating to the Offering Memorandum*

Neither this Offering Memorandum nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by the Issuer or any of the Dealers or the Trustee that any recipient of this Offering Memorandum or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each person (an "investor") intending to acquire or acquiring any securities from any person (an "Offeror") contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Memorandum nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Prospective investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Memorandum when deciding whether or not to purchase any Notes.

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Offering Memorandum and the applicable Pricing Supplement. Prospective investors should consider carefully the risk factors set out under "*Risk Factors*" in this Offering Memorandum.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in



such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Offering Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Memorandum in any jurisdiction. Persons into whose possession this document or any Notes come must inform themselves, about, and observe, any such restrictions. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Switzerland, the Channel Islands, the Isle of Man and South Africa (see "*Subscription and Sale*").

Notes which are not specified as Secured Notes in the applicable Pricing Supplement are unsecured obligations (including Notes described as being "without capital at risk"). The Notes are not deposits and they are not protected under the UK's Financial Services Compensation Scheme or any deposit protection insurance scheme.

#### *PRIIPs*

If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

#### *Listing*

Application has been made for this Offering Memorandum to be approved by the Irish Stock Exchange and the Notes to be admitted to the Irish Stock Exchange's Official List and to trading on its Global Exchange Market. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading on the Global Exchange Market. Application may also be made for the Notes issued under the Programme to be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system (including, without limitation the Nordic MTF of the Nordic Growth Market NGM AB ("NDX") and the Nasdaq First North market of Nasdaq Stockholm AB ("First North Stockholm")). The Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading on the Global Exchange Market or on any other listing authority, stock exchange and/or quotation system.

#### *Interpretation*

All references herein to "Sterling" and "£" are to the lawful currency of the United Kingdom, all references herein to "euro" and "€" are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time by the Treaty on European Union and all references herein to "U.S.\$" and "U.S. dollars" are to United States dollars.

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## PART A – INFORMATION RELATING TO ALL NOTES

### RISK FACTORS

#### Guidance on this Risk Factors section

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, together with all other information contained in this Offering Memorandum.

This Risk Factors section contains information about the risks involved in an investment in any Notes issued under the Programme, which the Issuer considers to be the principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes and/or risk factors that are material for the purposes of assessing the market risk associated with the Notes. This section is divided into a number of sub- sections, details of which are set out in the table below.

<i>Name of sub-section</i>	<i>Page</i>	<i>Applicable to</i>	<i>Explanation</i>
1) Risks related to the Issuer	4	All Notes	This sub-section will be relevant for all issues of Notes, as it details the risk factors which the Issuer deems to be material in respect of itself as issuer of Notes and its ability to perform the obligations owed to holders of any Notes.
2) Risks related to the Underlying	5	All Notes that are linked to an Underlying	This sub-section describes how risks related to the Underlying affect the return on the Notes.
3) Risks related to specific features of Notes	12	Certain Notes (with specific features)	This sub-section describes how risks related to the Underlying affect the return on Notes with specified features.
4) Risks related to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes	15	Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes only	This sub-section will be relevant for issues of Notes which are linked to an underlying share or ETF, basket of shares or ETFs, index or basket of indices, a single fund interest or a basket of fund interests or a combination of such underlyings.
5) Risks related to Inflation Linked Notes	18	Inflation Linked Notes only	This sub-section will be relevant for issues of Notes which are linked to an underlying inflation rate.
6) Risks related to Equity Linked Notes that are linked to ETFs	19	Equity Linked Notes that are linked to an underlying ETF or basket of ETFs only	This sub-section will be relevant for issues of Notes which are linked to an underlying ETF or basket of ETFs.

<i>Name of sub-section</i>	<i>Page</i>	<i>Applicable to</i>	<i>Explanation</i>
7) Risks related to Fund Linked Notes	21	Fund Linked Notes only	This sub-section will be relevant for issues of Notes which are linked to an underlying fund interest or basket of fund interests.
8) Risks related to Secured Notes	22	Secured Notes	This sub-section will be relevant for all issues of Notes which are secured by collateral and other forms of security.
9) Risks related to Credit Linked Notes	26	Credit Linked Notes	This sub-section will be relevant for all issues of Notes which have a Credit Linkage feature.
10) Risks related to the market generally	33	All Notes	This sub-section will be relevant for all issues of Notes, as it details the risk factors which the Issuer deems to be material in respect of the market in which the Notes are issued and traded.
11) Risks associated with certain other miscellaneous features and terms of the Notes, including settlement, discretions, Issuer substitution and amendments, amongst others	35	All Notes	This sub-section will be relevant for all issues of Notes, as it details the risk factors which the Issuer deems to be material in respect of the discretion of the Trustee.
12) Risks related to the legal framework of the Notes	35	All Notes	This sub-section will be relevant for all issues of Notes, as it details the risk factors which the Issuer deems to be material in respect of legal framework of the Notes.

The list of risks which follows below is not intended to be an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer or the Notes that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer, the value of the security or index underlying the Notes or the Notes themselves, and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Offering Memorandum and their personal circumstances.

Unless specified otherwise, words and expressions defined in the general conditions (the "**Conditions**"), the terms relating to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes or Inflation Linked Notes (the "**Terms**") or the additional terms relating to Secured Notes or Credit Linked Notes (the "**Additional Terms**") have the same meanings in this section.

1) **Risks related to the Issuer**

- (a) Subject to the amendments described in paragraphs (b) and (c) below, the risks relating to the Issuer's ability to fulfil its obligations with respect to the Notes can be found on pages 1 to 22 of the registration document dated 17 July 2019 (the "**Registration Document**") in the section headed "**Risk Factors**" which has been incorporated by reference on page 38 of this Offering Memorandum. In particular, investors should be aware that payments and return of initial investment in relation to the Notes will, together with the factors outlined below, depend on the solvency of the Issuer.

- (b) The risk factor under the heading "*Social, political and economic risk outside of the Bank's control may adversely affect its business and results of operations*" on page 2 of the Registration Document shall be amended by:

- (i) deleting the header "*Social, political and economic risk outside of the Bank's control may adversely affect its business and results of operations*" and replacing it with the following header:

*"Social, political and economic risk and other unforeseen events outside of the Bank's control may adversely affect its business and results of operations"*

- (ii) adding the following statement as a new second paragraph:

"Pandemics and widespread public health crises (including the recent Coronavirus Disease 2019 (also known as "**COVID-19**") outbreak, the impact of which will depend on future developments which are highly unpredictable and uncertain) may cause significant volatility in global financial markets, disruptions to commerce and reduced economic activity which could have a significant adverse effect on the Bank's results or operations, reputation and financial condition."

- (c) The risk factor under the heading "*The Bank is exposed to political, social and macroeconomic risks relating to the UK's potential exit from the EU*" on page 3 of the Registration Document shall be deleted in its entirety and replaced with the following:

***"The UK's exit from the EU***

On 31 January 2020, the UK withdrew from the EU. The withdrawal of the UK from the EU continues to create significant political, social and macro-economic uncertainty, which has affected and is likely to continue to affect financial markets, consumer sentiment and corporate profitability.

As a result of this uncertainty, the pound sterling : U.S. dollar exchange rate fell to its lowest levels since the 1980s, with one pound sterling equal to US\$1.20 in January 2018, a decrease of 18.6%. In addition, Moody's Investors Service downgraded the outlook of the UK government's bond rating from stable to negative, Fitch downgraded the UK government's credit rating from AA+ (stable) to AA (negative) and Standard & Poor's Ratings Services downgraded the UK government's credit rating from AAA (negative) to AA (negative) (which rating has subsequently been upgraded to AA (stable)), in each case warning that the country's economic growth and fiscal strength are likely to be lower in the event the UK exits the EU.

In particular, there is a risk that the UK's exit from the EU, other political developments or developments otherwise affecting market confidence may result in outflows of assets from investment portfolios with exposure to the UK, which could include multi-asset portfolios held by the Bank. Due to the size and importance of the UK economy in the global economy, particularly with respect to the UK financial services market, as well as the uncertainty and unpredictability concerning the UK's legal, political, financial and economic relationship with the EU after the end of the transition period (the "**Transition Period**") on 31 December 2020, there may continue to be instability in the national and

international financial markets, significant currency fluctuations and otherwise adverse effects on consumer confidence for the foreseeable future.

The Bank includes financial institutions authorised and regulated in the UK. The regulatory environment that applies to such entities is in large part derived from EU financial services legislation. While the UK is currently required to implement and apply such legislation, this may no longer be the case following the end of the Transition Period. This may have a significant impact on UK financial services legislation and the regulatory environment in which the Bank operates, which may in turn have a material adverse effect on the Bank's business, financial condition, operating results and prospects.

It is also unclear how the UK's withdrawal from the EU will affect UK financial institutions and businesses with assets or operations (including branches) in the EU (and vice versa) following the end of the Transition Period, which could impact matters from regulatory classifications, delegation of activities and operational processes within the Bank to applicable tax regimes and the mobility of personnel. At present, EU legislation (as implemented into UK law) grants passporting rights to certain categories of financial institution, including insurers, investment firms, UCITS management companies and AIFMs. EU legislation (as implemented into UK law) also facilitates mutual rights of access to EU market infrastructure such as payment and settlement systems. Following the end of the Transition Period, the current passporting arrangements may cease to be effective, as may the current mutual rights of access to market infrastructure. The Bank contains entities that rely on such passporting arrangements and market infrastructure. In addition, as of 30 September 2019, the Bank had 17 offices and employed approximately 3,700 permanent employees in the UK. A number of the Bank's employees in the UK are citizens of EU member states. Depending on the contours of the agreement reached between the UK and the EU on migration and immigration (if any), the UK's exit from the EU could result in restrictions on mobility of personnel and could create complexities for the Bank in recruiting and retaining qualified employees.

As a result of the foregoing, the UK's departure from the EU may have material adverse effects on the Bank's business, financial condition, operating results and prospects."

## 2) **Risks related to the Underlying**

The price at which a holder may be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the initial investment, based upon one or more of the factors described below.

The factors that will affect the trading value and return at maturity of the Notes interrelate in complex ways (for example, one factor may offset an increase in the trading value of the Notes caused by another factor). Factors that may impact the value of the Notes, assuming other conditions remain constant, include:

### (a) ***Risk factors affecting the value of and return on the Notes***

#### (i) ***Value of the Underlying***

The redemption amount of and return of an Equity Linked Note, and accordingly its value will depend on the performance of a single share or ETF or a basket of shares or ETFs, the redemption amount of and return of an Index Linked Note, and accordingly its value, will depend on the performance of a single index or basket of indexes and the redemption amount of and return of an Inflation Linked Note, and accordingly its value, will depend on the performance of the UK Retail Prices Index (the "**RPI**") or such other single inflation index as may be specified in the applicable Pricing Supplement, and the redemption amount of and return of a Fund Linked Note, and accordingly its value, will depend on the performance of a single fund share or basket of fund shares, such underlying asset in each case being the "**Underlying**" to which the Note is linked. The redemption amount of and return of a Multi Underlying Linked Note, and accordingly its value, will depend on the performance of two or more underlying assets (being any

combination of shares, baskets of shares, indices, baskets of indices, fund interests or baskets of fund interests) (the "**Underlyings**").

Therefore, any reduction in the "level" (in respect of an index or a basket of indices), "price" (in respect of a share) or "value" (in respect of a basket of shares, a fund interest or a basket of fund interests) of the Underlying (or, in respect of Multi Underlying Linked Notes, one or more of the Underlyings) can be expected to result in a corresponding reduction in the redemption amount and trading value of the Note. Accordingly, and since the Notes may not be capital protected, it is possible that **the return on a Note and value at any time may be considerably less than the amount paid by the investor for such Note and may even be zero.**

(ii) *Fluctuations in the Underlying*

The level, price or value (as applicable) of the Underlying(s) may change during the term of the Notes. The frequency and amount of any changes in the level, price or value (as applicable) of the Underlying(s) cannot be predicted and may be caused by various factors including political or economic developments. Therefore, the value of the Notes during the term of the Notes may be subject to fluctuation as a result of the fluctuation (or expectations of fluctuation) in the level, price or value (as applicable) of the Underlying(s).

**Accordingly, the value of a Note prior to maturity and the return on a Note may be lower and less predictable than would be received or expected when investing in a conventional debt instrument.**

Investors who require a certain or a predefined return should consider carefully before investing in any Notes.

(iii) *Volatility of the Underlying(s)*

If the size or frequency of market fluctuations in the level, price or value (as applicable) of the Underlying(s) increases or decreases, the value of the Notes may be affected. Where an Underlying is an index, the volatility of such index will affect the value of the Notes. **Accordingly, the value of and return on the Notes may be less predictable than the return on a product which is unaffected by market fluctuations.**

(iv) *Path dependency*

The return of the Notes may be dependent on the movements in (and the calculation of) the level, price or value (as applicable) of one or more Underlying(s) over the term of the Notes.

The Notes may have a return that is linked in whole or in part to the average level, price or value (as applicable) of one or more Underlying(s) over the entire term of the Notes or over another specified period. Alternatively, the return on the Notes may be dependent on whether the level, price or value (as applicable) of one or more Underlying(s) have exceeded or fallen below a specified value or level (i.e. breached a specified barrier) on or prior to a specified date. Accordingly, if one or more Underlying(s) experiences a prolonged period of poor performance, the return on the Notes may be affected by such poor performance and investors may be unable to benefit from any single instance of improved performance and may therefore receive **a lower return than investors in a product where the return is calculated only by reference to the performance of an underlying on a specific date.**

The return on the Notes may be affected by how the performance of the Underlying(s) is calculated, namely the times, dates and methods used for determining the level, price or value (as applicable) of the Underlying(s).

For example, in the case of Notes whose redemption price is linked to the level, price or value (as applicable) of one or more Underlying(s) exceeding or falling below a specified level, price or value (as applicable) (i.e. a barrier breach), whether the occurrence of such breach is to be determined at a specific point in time (for example, where the relevant Underlying is an index, at the scheduled closing time of such index) or whether the occurrence of such breach is to be determined on an ongoing basis (for example, at any time during a specified period or as an average) could lead to greatly divergent valuations of the performance of the relevant Underlying and accordingly the return on the Notes.

If the final level, price or value (as applicable) of the Underlying(s) is calculated over a period of time, rather than on a single date, investors will be exposed to the performance of the Underlying(s) on days other than the maturity date. **Accordingly, the return on the Notes may be lower if one or more of the relevant Underlying(s) is experiencing a temporary period of poor performance.**

If the level, price or value (as applicable) of the Underlying(s) is calculated as of a specific date (rather than as an average of several dates), investors will have greater exposure to the volatility of the Underlying(s) in respect of the calculation of such level, price or value. **Accordingly, the return on the Notes may be lower if one or more of the relevant Underlying(s) experiences a single atypical instance of poor performance or a single atypical instance of positive performance on such specific date than it would be if the performance of the Underlying was measured over several days.**

(v) *Past performance*

Prospective investors should understand that the **historical performance of the Underlying(s) or any component of the Underlying(s) is not predictive of future results**. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning any company whose shares comprise an Underlying could affect the trading price of the Notes.

(vi) *Interest rates*

The value of the Notes may, in addition to being affected by the level, price or value (as applicable) of the Underlying(s), be indirectly affected by changes in interest rates. Depending on the Underlying(s) and the formula for calculating the redemption price of the Notes, changes in interest rates may increase or decrease the value of the Notes (but not necessarily in the same or proportionate amount). Changes in interest rates may also affect the economy of a country in which the components of an Underlying are traded and thus indirectly affect the value of the Notes. **Accordingly, investors in the Notes may suffer a loss on their investment or forgo substantial returns as a result of interest rate fluctuations. Therefore, an investment in the Notes may entail greater risks than an investment in a product where the return is only affected by the value of an underlying.**

The market value of any Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. **Accordingly, investors in any Notes issued at a discount or premium are exposed to interest rate volatility and may suffer a greater loss on their investment than investors in interest-bearing debt securities.**



(vii) *Time remaining to maturity*

The Notes may trade at a value above that which would be expected based on interest rates and the level, price or value (as applicable) of the Underlying(s). Any such difference will reflect a "time premium" resulting from expectations concerning the Underlying(s) during the period prior to the stated maturity of the Notes. As the time remaining to the stated maturity of the Notes decreases, this time premium may decrease, which in turn may adversely affect the value of the Notes. **Accordingly, investors selling any Notes at a date close to maturity may suffer a loss on their investment depending on expectations concerning the Underlying(s) prevailing at the time.**

(viii) *Non-linear relationship of Notes to Underlying*

A change in the level, price or value (as applicable) of the Underlying(s) may not result in a comparable or proportionate change in the value of the Notes due to fluctuating supply and demand for the Notes or the use of leverage factors, caps, floors, thresholds and barriers (or any combination of these features) in provisions governing the calculation of the return on the Notes. If leverage factors, caps, floors, barrier amounts or thresholds are used in the formula for calculating the return on the Notes, **investors may forgo returns or suffer losses that are relatively large or relatively small compared to a movement in the level, price or value (as applicable) of the Underlying(s).**

Investors should not invest in any Notes before fully understanding how the value of the Notes is linked to the level, price or value (as applicable) of the Underlying(s).

(ix) *Currency fluctuations*

Currency fluctuations may affect the level, price or value (as applicable) of the Underlying(s) in complex ways. If the level, price or value (as applicable) of one or more of the Underlying(s) is denominated in a currency that is different from the currency of the Notes, investors in the Notes may be subject to increased foreign exchange risk. If such currency fluctuations cause the level, price or value (as applicable) of the Underlying to decrease, the value of the Notes may fall. **Accordingly, an investor in the Notes may suffer a greater loss on his/her investment than an investor in a product which is linked to an underlying that is denominated in the same currency.**

Foreign exchange rates are unpredictable and may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or deficit and the monetary, fiscal and/or trade policies pursued by the governments of the relevant currencies. Previous foreign exchange rates are not necessarily indicative of future foreign exchange rates. **Accordingly, investors may be unable to predict and adequately hedge against the risk posted by currency fluctuations, causing an investment in the Notes to result in an overall loss to the investor.**

(b) ***Hedging risk***

As a result of the non-linear relationship of the Notes to the Underlying(s) (as described above) the Notes may not be suitable for hedging against the market risk associated with investing in any securities or indices.

Prospective investors intending to acquire Notes to hedge against such risk should recognise the complexities of using Notes in this manner.

(c) ***Index disclaimer risk***

The Notes are not sponsored, endorsed, sold or promoted by any index to which they are linked or any sponsor of such index and such index sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of any index and/or the levels at which such index stands at any particular time on any particular date or otherwise. No index sponsor shall be liable (whether in negligence or otherwise) to any person for any error in any index and an index sponsor is under no obligation to advise any person of any error within an index. An index sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes.

Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by an index sponsor in connection with the calculation, adjustment or maintenance of an index.

Neither the Issuer nor the Calculation Agent has any affiliation with or control over any index or index sponsor or any control over the computation, composition or dissemination of any index. Without prejudice to the Issuer's responsibility statement (as specified in the applicable Pricing Supplement) for third party information contained in this Offering Memorandum, although the Issuer and the Calculation Agent will obtain information concerning an index to which the Notes are linked from publicly available sources they believe to be reliable, they will not independently verify this information. **Accordingly, an investor in the Notes will have no recourse against the sponsor of any index comprising any Underlying, the Issuer or the Calculation Agent in relation to any event or facts relating to the index resulting in a decrease in the value of such index and/or the value of the Notes and/or a loss in the investment.**

(d) ***Hedging activities of the Issuer and affiliates***

The Issuer and/or its affiliates may carry out hedging activities related to the Notes, including purchasing the Underlying(s), components of the Underlying(s) and/or debt obligations of a financial institution, corporation and/or sovereign entities or any successor(s) thereto to which the Note is Credit Linked (as further discussed below in paragraph 9 (*Risks related to Credit Linked Notes*)) (each a "**Reference Entity**"), but will not be obliged to do so. Any of these activities could potentially affect the level, price or value (as applicable) of the Underlying(s) and the debt obligations of the Reference Entity (as applicable) and, accordingly, the value of the Notes. In addition, the disruption of such hedging arrangements or material increase in cost of such hedging arrangements may lead to an early redemption of a portion of each Note (the "**Relevant Portion**") in whole (but not in part). **Accordingly, investors may receive a lower return than they would have done had they invested in a product whose Issuer did not engage in similar hedging activities.**

(e) ***Conflicts of interest***

The Issuer and/or its affiliates may also purchase and sell the Underlying(s), components of the Underlying(s) and/or debt obligations of the Reference Entities on a regular basis as part of their securities businesses. Any of these activities could potentially affect the level, price or value (as applicable) of the Underlying(s) and the debt obligations of such Reference Entities (as applicable) and, accordingly, the value of the Notes.

The Issuer and/or its affiliates may from time to time advise the issuers of or obligors in respect of specified debt obligations (the "**Reference Obligations**") to which the return on Credit Linked Notes is linked, an Underlying or any component of an Underlying and/or any Reference Entity regarding transactions to be entered into by them, or engage in transactions involving any Underlying and/or Reference Entity for their proprietary accounts and for other accounts under their management. Any such transactions may have a positive or negative effect on the price, value or level of such Underlying and/or the value of such Reference Entity's debt obligations generally and therefore on the value of the Notes.

In addition, the Issuer may be the Calculation Agent responsible for making determinations and calculations in connection with the Notes. Accordingly, certain **conflicts of interest may arise between the interests of the Issuer and the interests of holders of Notes.**

Investors are subject to the risk that such conflicts of interest may cause the Issuer and/or its affiliates to make determinations and/or take or refrain from taking actions, with a consequential adverse effect on the value and/or amounts payable under the Notes.

(f) ***No Ownership Rights***

An investment in the Notes is not the same as an investment in the Underlying(s) (or any component of the Underlying(s)) and does not confer any legal or beneficial interest in any Underlying (or any component of the Underlying) (or, in relation to Credit Linked Notes (as defined below), any Reference Entity(y/ies)) or any voting rights, rights to receive dividends or other rights that an owner or a holder of any Underlying (or any component of the Underlying) (or, in relation to Credit Linked Notes (as defined below), any Reference Entity(y/ies)) would have. Accordingly, **an investor in the Notes may not benefit from the same rights as a person investing directly in the Underlying(s)** (or, in relation to Credit Linked Notes (as defined below), **any Reference Entity(y/ies)**) (i.e. a purchaser of shares or securities forming part of an underlying share, basket of shares or component of an index or any financial institution(s), corporation(s) and/or sovereign entity(y/ies) or any successor(s) thereto named as a Reference Entity)).

The Notes are unsubordinated and (other than Secured Notes) unsecured obligations of the Issuer. Save when the Underlying(s) or debt obligations of the Reference Entity forms part of the collateral in respect of Secured Notes, no security has been taken in respect of the Underlying. **Accordingly, investors in the Notes have less protection in the event of the insolvency of the Issuer than investors in a product which is secured on certain assets or other security.**

(g) ***Information risk***

(i) ***Underlying***

The share(s) constituting the Underlying (i.e. where the Underlying is a share or basket of shares) or comprising a component of the Underlying (i.e. where the Underlying is an index or basket of indices) are listed on a regulated exchange. Accordingly, information is available in the public domain regarding the company(y/ies) whose shares comprise the Underlying. In addition, where the Underlying is an index or basket of indices, information is available in the public domain regarding the Underlying itself. The Pricing Supplement for each issue of Notes will also provide an indication of where information about the past and the ongoing performance of the Underlying (or components thereof) can be obtained. However the Issuer has made no investigation regarding such company(y/ies) and this Offering Memorandum contains no information regarding such company(y/ies) except for such information which will be included in the applicable Pricing Supplement.

In addition, no company whose shares constitute or comprise the Underlying, nor any sponsor of any index constituting or comprising the Underlying, has participated in the preparation of this Offering Memorandum or any Pricing Supplement. Accordingly, there can be no assurance that all material events regarding the Underlying occurring prior to the relevant issue date of the Notes that would affect the level, price or value (as applicable) of such Underlying have been disclosed in this Offering Memorandum. Subsequent disclosure of any such events or the failure to disclose material events concerning the Underlying could affect the trading price and final redemption amount payable on the Notes.

**Prospective investors in the Notes should obtain and evaluate information concerning the Underlying or the components of the Underlying as they**

would if they were investing directly in the Underlying and/or the components of the Underlying. However, this information is not relevant to enable investors to make an informed assessment of the rights attaching to the Notes.

In addition, prospective investors should understand that the **historical performance of the Underlying or any component of the Underlying is not predictive of future results.**

(h) ***Floating Rate Notes – regulation and reform of Benchmarks***

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and reform. Some of these reforms are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Instruments linked to a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") entered into force on 30 June 2016 and the majority of its provisions have applied since 1 January 2018. The Benchmarks Regulation applies to "administrators" of, "contributors" to, and "users" of "benchmarks" in the EU. Among other things, the Benchmarks Regulation: (i) requires EU benchmark administrators to be authorised or registered by a national regulator (unless an exemption applies); (ii) provides that in order to be used by supervised entities in the EU, a non-EU benchmark must be qualified for use in the EU under the third-country regime (through equivalence, recognition or endorsement) and comply with extensive requirements in relation to the administration of the non-EU benchmark; and (iii) bans the use by "supervised entities" of: (a) EU "benchmarks" whose administrators are not authorised or registered; and (b) non-EU "benchmarks" that are not qualified for use in the EU under the third-country regime.

The scope of the Benchmarks Regulation is wide and, in addition to so-called "critical benchmarks" such as EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (including securities or OTC derivatives traded on an EU Regulated Market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or via a "systematic internaliser"), certain financial contracts and investment funds. Different types and categories of "benchmark" are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a "benchmark" is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50 billion, subject to further conditions.

The Benchmark Regulation, together with other international, national or other reforms or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Instruments linked to a "benchmark". Such reforms could result in changes to the manner of administration of "benchmarks", with the result that such "benchmarks" may perform differently than in the past (and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level) or may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks" leading to their disappearance.

***The market continues to develop in relation to SONIA and SOFR as reference rates for Floating Rate Notes***

On 29 November 2017, the Bank of England and the FCA announced that, from January 2018, the Bank of England's Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") across sterling bond, loan and derivatives markets, so that SONIA is

established as the primary sterling interest rate benchmark by the end of 2021. Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof (including the Issuer) may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Notes that reference a SONIA rate issued under this Programme. As SONIA is published and calculated by the Bank of England based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

The Secured Overnight Financing Rate ("SOFR") is published by the Federal Reserve Bank of New York (the "**Federal Reserve**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities. The Federal Reserve notes on its publication page for SOFR that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. Because SOFR is published by the Federal Reserve based on data received from other sources, the Issuer has no control over its determination, calculation or publication. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes. The Federal Reserve began to publish SOFR in April 2018. The Federal Reserve has also begun publishing historical indicative SOFR rates going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR. Also, since SOFR is a relatively new market index, Notes linked to SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Notes linked to SOFR may be lower than those of later-issued indexed debt securities as a result.

Interest on Notes which reference Compounded Daily SONIA, Compounded Daily SOFR or Weighted Average SOFR is only capable of being determined at the end of the relevant Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes that reference a SONIA rate or SOFR rate to reliably estimate the amount of interest that will be payable on such Notes. Further, if the Notes become due and payable under Condition 9 (*Events of Default*), the Rate of Interest applicable to the Notes shall be determined on the date the Notes became due and payable and shall not be reset thereafter.

In addition, the manner of adoption or application of SONIA reference rates and SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SONIA and SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates and SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes referencing a SONIA rate or a SOFR rate. Investors should consider these matters when making their investment decision with respect to any such Notes.

#### **Risks related to specific features of Notes**

- (a) ***Financial Services Compensation Scheme – All Notes***

The Notes are not deposits and they are not protected under the UK's Financial Services Compensation Scheme or any deposit protection insurance scheme. Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in the Notes in a worst case scenario could lose their initial investment.

(b) ***Notes with Capital at risk***

Notes which are not capital protected may be issued under the Programme.

The value of such Notes prior to maturity depends on a number of factors including the performance of the applicable Underlying(s). **A deterioration in the performance of the relevant Underlying or Underlyings may result in a total or partial loss of the investor's investment in the Notes.**

As such Notes are not capital protected, there is no guarantee that the return on such a Note will be greater than or equal to the amount invested in the Notes initially or that an investor's initial investment will be returned. As a result of the performance of the relevant Underlying or Underlyings, **an investor may lose all of their initial investment.**

Unlike an investor investing in a savings account or similar investment, where an investor may typically expect to receive a low return but suffer little or no loss of their initial investment, an investor investing in Notes which are not capital protected may expect to potentially receive a higher return but may also expect to potentially suffer a total or partial loss of their initial investment.

(c) ***Unsecured Notes***

Investors investing in unsecured Notes (including unsecured Notes which are specified in the applicable Pricing Supplement as Notes "without Capital at Risk") are advised to carefully evaluate the Issuer's credit risk when considering an investment in such Notes. If the Issuer became unable to pay amounts owed to the investor under the unsecured Notes, such investor does not have recourse to the Underlying(s) or any other security/collateral and, in a worst case scenario, investors **may not receive any payments under the Notes. Interest rate risks**

An investment in Fixed Rate Notes and Zero Coupon Notes exposes investors to the risk that **subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes and Zero Coupon Notes.**

(d) ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes. **Accordingly, an investor in the Notes may receive a lower return than investors in similar notes which do not allow the relevant issuer to convert between the type of interest payable,**

(e) ***Variable rate Notes, and other Notes, with a multiplier or other leverage factor***

Notes with variable interest rates can be volatile investments. In particular, if they or any Notes linked to an Underlying (or Underlyings) are structured to include multipliers or other leverage factors/gearing, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

(f) ***Capped Return – Notes which include a cap on return***

The return and/or interest on the Notes may be capped. In such circumstances, the exposure to the upside performance of the relevant Underlying (or Underlyings) will be limited. **Accordingly, investors could forgo returns and/or interest could have been made had they invested in a product without a similar cap.**

(g) ***Notes subject to optional early redemption***

An optional early redemption feature in favour of the Issuer of Notes (an "**Issuer Call Option**") is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Noteholders should note that **a call option creates uncertainty for investors, as to whether the Notes will remain outstanding until maturity.**

**Accordingly, the return an investor in the Notes may expect to receive on a transfer of a Note during any such period may be lower than the return expected by an investor in products which cannot be voluntarily redeemed prior to maturity.**

If the applicable Pricing Supplement specifies that an Issuer Call Option or an optional redemption feature in favour of the Noteholders ("**Noteholder Put Option**") is applicable then, upon exercise of such option, the relevant Notes will be redeemed at their Optional Redemption Amount which may be at par (plus any accrued interest) or at their fair market value or another amount, as specified in the applicable Pricing Supplement.

The Issuer may be expected to exercise its call option and redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

(h) ***Risk of early redemption***

Notes may be mandatorily redeemed prior to their scheduled maturity date for a number of reasons, such as taxation events, or following an event of default specified in the relevant Conditions and/or Terms for those Notes. **Early redemption may result in investors receiving a lower return on investment and in some circumstances may result in a loss of part or all of their initial investment.** Prospective investors should consider reinvestment risk in light of other investments available at that time. Investors should take particular note of the following circumstances resulting in early redemption:

(i) ***Early redemption upon Hedging Event***

The Issuer will be entitled to redeem the Notes in whole but not in part upon the occurrence of any event or circumstance that would make it impossible or impracticable for the Issuer or any counterparty of the Issuer to enter or maintain any hedging arrangement that the Issuer deems necessary in respect of the Notes, or that increases the cost to the Issuer or such counterparty (as compared to the cost at the Issue Date) of entering into or maintaining such hedging arrangement such event being a "**Hedging Event**". A Hedging Event (and the related early redemption right of the Issuer) could arise due to any reason, including but not limited to, any change in applicable law or regulation.

The European Market Infrastructure Regulation ("**EMIR**"), which came into force on 16 August 2012, introduces uniform requirements to centrally clear certain specified types of derivative transaction and mandates certain risk mitigation requirements in respect of non-cleared trades. While many of the obligations under EMIR have come into force, as at the date of this Offering Memorandum the requirement to submit certain OTC derivative transactions to central clearing counterparties (CCPs) and the margin requirements for

noncleared OTC derivative transactions are subject to a staggered implementation timeline. It is not yet fully clear how the OTC derivatives market will adapt to the new regulatory regime. Going forward, potentially there could also be differences in the manner in which further EMIR obligations (for instance, under Regulation (EU) 2019/834 (the EMIR Refit)) are defined and implemented. Accordingly, it is difficult to predict the full impact of EMIR on the Issuer and/or any of the Issuer's affiliates in respect of any hedging arrangements in respect of the Notes. If EMIR has the effect of increasing the costs to the Issuer or the Issuer's counterparty in respect of any hedging arrangements in respect of the Notes or makes such arrangements impossible or impracticable in the opinion of the Calculation Agent, an early redemption of the Notes may occur. Unless Redemption upon Hedging Event is specified as not applicable in the applicable Pricing Supplement, and a Hedging Event occurs, then the Notes may be redeemed at par (plus any accrued interest) or at their fair market value, as specified in the applicable Pricing Supplement.

(ii) *Early redemption upon Illegality Event*

The Issuer will be entitled to redeem the Notes in whole but not in part upon the occurrence of any Illegality Event, i.e. event or circumstance that would make it unlawful or impracticable for the Issuer to enter or maintain a Series of Notes, or that increases the cost to the Issuer (as compared to the cost at the Issue Date) of entering into or maintain such Series of Notes, in each case, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power.

(i) *Coupon Deferral*

The Pricing Supplement may specify that "Coupon Deferral" is applicable in relation to the Notes. For such Notes if a coupon deferral event occurs (the suspension, deferral, cessation of interest payment, or adjustment in the frequency of interest payments) in relation to a specified coupon reference obligation specified in the applicable Pricing Supplement, the Issuer may defer or reduce the interest payments due under the Notes to the same extent of the deferral or reduction in the interest payments on the specified coupon reference obligation, for so long as the coupon deferral event is continuing.

**In such circumstances Investors in such Notes may not receive the full coupon when due on the Notes, will not receive any compensation for any delayed receipt of the coupon (or any part thereof), and may never receive the coupon where the coupon continues to be deferred up to the maturity of the Notes.**

**4) Risks related to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes**

(a) *Limits on Positive Return*

The amount of positive return on all Notes, payable in the event that at maturity level, price or value (as applicable) of the Underlying(s) is greater than a certain specified threshold (the "**Return Threshold**"), will depend in part on the type of formula used to calculate the upside return specified in the applicable Pricing Supplement. The return on the Notes may be specified as:

- (i) an amount equal, solely or in part (depending on the type of Note), to a digital return, being the initial investment multiplied by a specified digital return percentage of at least 100%;
- (ii) an amount equal, solely or in part (depending on the type of Note), to the initial investment plus an amount equal to the increase in the performance of the relevant Underlying(s) (known as the "**upside**"), which may be multiplied by a leverage factor and/or subject to a cap; or



- (iii) an amount calculated by reference to such other methodology or formula as may be set out in the applicable Pricing Supplement.

**In these circumstances, although investors will not experience a loss on their investment, they may forgo the returns they could have obtained had they invested in a product with a different formula applicable to any upside return. Furthermore, if the return is subject to a cap and/or a leverage factor less than 100% or a digital return, the investors' exposure to the positive performance of the relevant Underlying(s) may be limited. Any upside return will be limited and may be lower than the upside investors could have been exposed to had they invested in a different type of product.**

(b) ***Leverage / Gearing – Notes which include leverage in the return***

Depending on the formulae for calculating the return on the Notes specified in the applicable Pricing Supplement, the Notes may have a leveraged exposure to the Underlying(s), in that the exposure of each Note to the Underlying(s) may be greater (or less) than the nominal amount of the Note. **Positive leveraged exposure results in the effect of small price movements being magnified and may lead to proportionally greater losses in the value of and return on the Notes as compared to an unleveraged exposure.**

If market conditions change, the value of the Notes will be more volatile than if there was no leverage.

In cases where the leverage factor employed is less than 100%, investors will have a reduced exposure to the performance of the Underlying and may receive lower returns than if their exposure to the Underlying was at 100% or more.

(c) ***Value of Indices/Baskets of Indices/Baskets of Shares***

Where an Underlying is a basket of shares or ETFs, an equity index or a basket of equity indices, the level of such Underlying may be affected by the number of companies or ETFs represented in such basket or index. Generally, the value of a basket of shares or ETFs or an equity index that includes shares from a number of companies which gives relatively equal weight to the shares of each of such companies or ETFs will be less affected by changes in the value of any particular shares included therein than a basket of shares or ETFs or an index that includes the shares of fewer companies or that gives greater weight to the shares of some of the companies included therein. In addition, if the shares included in a basket of shares or ETFs or index are of companies in a particular industry sector, the value of such a basket or an index will be more affected by the economic, financial and other factors affecting that industry sector than if the basket comprised shares of companies in various industry sectors that are affected by different economic, financial or other factors or are affected by such factors in different ways. **Accordingly, the composition of a particular basket of shares or ETFs or index may result in investors receiving a lower return on the Notes than would have been payable on a single share or a basket or index composed of different shares or having different weightings.**

(d) ***"Best of"/"Worst of" features in respect of baskets***

Where the applicable Pricing Supplement specifies that the Underlying (or, in respect of Multi Underlying Linked Notes, one or more of the Underlyings) is a basket and that the "Best of" feature is applicable, the value of the basket will depend on the level, price or value (as applicable) of the index, share or fund interest that has shown the best performance (i.e. the greatest increase or smallest decrease in level, price or value from its initial level, price or value) in comparison to the other indices, shares or fund interests comprising the basket over a specified period of time. Conversely, where the applicable Pricing Supplement specifies that the "Worst of" feature is applicable, the value of the basket will depend the level, price or value of the index, share or fund interest that has shown the worst performance (i.e. the smallest increase or greatest decrease in level, price or value from its initial level, price or value) in comparison to the other indices, shares or

fund interests comprising the basket over a specified period of time. As the best-performing index, share or fund interest, or the worst-performing index, share or fund interest, as applicable, of a basket are not representative of the performance of the basket as a whole, any calculations or determinations of value that involve the "Best of" or "Worst of" feature may produce results that are very different to those that take into account the performance of the basket as a whole.

**Accordingly, investors in Notes which have a 'worst of' feature may suffer a greater loss than they would have suffered had they invested the initial investment in a product where the return was based on the weighted average of a basket, the performance of the best performing index, share or fund interest comprising the basket or on the performance of single share, index or fund interest.**

**Investors in Notes which have a "Worst of" feature and which automatically redeem prior to maturity if the level or price of the worst performing index or share in the basket is greater than a specified threshold, although they will not experience a loss on their investment, will not benefit from any earlier return that they may have received had they invested the initial investment in a similar product where the automatic early redemption is based on the performance of the best performing of several indices or shares, or on the performance of only one index or share.**

(e) ***Effect of Barrier Condition***

The return on Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes that have capital at risk may be dependent on whether or not a condition is satisfied in relation to one or more Underlying(s) (the "**Barrier Condition**").

The Barrier Condition will be a condition that the level, price or value (or the average the levels, prices or values) of one or more Underlying(s) either (i) on a particular valuation date, (ii) during a specified observation period or (iii) on specified observation dates (as specified in the applicable Pricing Supplement) is higher than a Barrier level specified in the applicable Pricing Supplement.

**If the relevant Barrier Condition is not satisfied investors may receive a return on the Notes linked to the downside performance of the relevant Underlying(s), and as a result investors may lose all of their initial investment.**

A Barrier Condition that is determined not to have been satisfied by reference to the level, price or value of the relevant Underlying(s) on a particular retention date, during an observation period, or on particular observation dates may have been satisfied had the determination been made by reference to the level, price or value (as applicable) on alternative valuation or observation dates or in relation to an alternative observation period. Accordingly, investors may lose some or all of their initial investment as a result of the Barrier Condition being determined for particular dates or periods rather than alternative dates or periods.

(f) ***Possibility of Loss of Investment***

The return on Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes, payable in the event that at maturity level, price or value (as applicable) of the Underlying(s) is lower than the "**Return Threshold**" (and, if applicable, the Barrier Condition is not satisfied), will depend in part on the type of formula used to calculate the downside return specified in the applicable Pricing Supplement. The return on the Notes may be specified as:

- (i) **an amount linked to the downside performance of the relevant Underlying(s). In these circumstances, the return will be less than the initial investment and investors will suffer a reduction of their initial investment in proportion (or a proportion multiplied by a gearing percentage) with the decline of the relevant Underlying(s) during a specified period or on a specified date.**

**Accordingly investors will be fully exposed to the downside of the relevant Underlying(s) and, as a result, may lose all of their initial investment; or**

- (ii) an amount linked to the downside performance of the relevant Underlying(s) between certain specified levels (such levels being the upper strike and the lower strike respectively), and may be subject to gearing. **In these circumstances, the return will be less than the initial investment and investors will suffer a reduction of their initial investment in proportion (which proportion may be multiplied by a gearing percentage) with the decline of the relevant Underlying or Underlying(s) between the upper strike and the lower strike during a specified period or on a specified date. Accordingly investors will be exposed to a proportion of the downside of the relevant Underlying(s) and, as a result, may lose all of their initial investment; or**
- (iii) an amount calculated by reference to such other methodology or formula as may be set out in the applicable Pricing Supplement.

(g) ***Possibility of Missed Interest Payments***

Certain Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes issued under the Programme may be interest bearing, and may further provide for payments of interest to be contingent on the performance of one or more Underlying(s). Consequently:

- (i) An investor may only receive interest in relation to specified interest periods where the performance of one or more Underlying(s) was greater than a certain threshold.
- (ii) An investor may only receive interest in relation to specified interest periods on the basis of the number of days one or more Underlying(s) is within the specified range(s). An increase in the number of days on which the performance of such Underlying(s) is outside such range(s) will cause the return to investors to decrease.
- (iii) An investor may only receive interest in relation to specified interest periods on the basis of such period other methodology or formula as may be set out in the applicable Pricing Supplement.

**In these circumstances, although investors will not experience a loss on their investment, the amount of any interest return will depend upon the specified interest amount for the relevant period and the performance of one or more Underlying(s), and thus investors may receive no upside return or a lower upside return than they could have received had they invested in a similar product which did not have such provisions.**

**5) Risks related to Inflation Linked Notes**

(a) ***Volatility of inflation rates***

The redemption amount of the Notes payable at scheduled maturity and/or the amount of interest payable in relation to the Notes may be determined by reference to levels of, or movements in, specified inflation rates or other rate-dependent variables (each an "**Inflation-Related Variable**"), as specified in the applicable Pricing Supplement during the period specified therein.

Inflation rates can be volatile and unpredictable. Investors should be aware of the possibility of significant changes in inflation rates resulting in a decrease in the value of interest payments and/or the principal payable on the Notes at maturity. As a consequence the market value of the Notes may also fall.

(b) ***Disruption Event***

Prospective investors in the Inflation Linked Notes should note that, following the occurrence of a Disruption Event (as defined in Part C – Inflation Linked Notes), the Notes will be redeemed by payment of the Early Redemption Amount which will occur as soon as the Calculation Agent determines that it is practical to calculate the Early Redemption Amount and to effect payment of it, which may be subject to delays and may result in a loss to the investors.

(c) ***Inflation Linkage***

Inflation Linked Notes are Notes which may be scheduled to provide either (a) a fixed rate adjusted to take account of inflation; or (b) inflation linked interest payments at regular intervals throughout the life of the Notes, as specified in the applicable Pricing Supplement. In the case of (a) above (i.e. a fixed rate of interest adjusted to take account of inflation) the rate of interest payable on the Inflation Linked Notes shall be linked to the change in the levels of the underlying inflation Index between an initial reference month and a specified reference month in respect of the relevant interest payment date, such reference months to be set out in the applicable Pricing Supplement. In the case of (b) above the rate of interest payable on the Inflation Linked Notes shall be linked to the change in the levels of the underlying inflation Index from one reference month to the next reference month, such reference months to be set out in the applicable Pricing Supplement.

The redemption amount of the Inflation Linked Notes will be either (a) at par, or (b) inflation linked, as specified in the applicable Pricing Supplement. In case of (b), the amount payable at maturity in respect of the Inflation Linked Notes shall be linked to the change in the levels of the underlying inflation index between an initial level and the level for a specified reference month.

**Investors should be aware that the adjustment to interest and/or principal to account of inflation may be different had a different reference month been specified and may not reflect the inflation rate that is applicable to the investors assets and liabilities.**

Only if either the interest amount or the final redemption amount is specified as linked to an inflation index, would the risks set out in the section entitled "*Risks related to Inflation Linked Notes*" be applicable.

(d) ***Possibility of Loss of Investment – Inflation Linked Notes with Capital at Risk only***

At maturity (or on each instalment date, as applicable) the return on the Notes will be determined by the change in the level of the RPI or such other single inflation index as may be specified in the applicable Pricing Supplement, or between (i) a specified month prior to the issue date of the Notes (the ("**Initial Level**")), and (ii) a specified month prior to the maturity date (or relevant instalment date, as applicable) of the Notes (the ("**Final Level**")).

If at maturity (or on a particular instalment date, as applicable) the Final Level is less than the Initial Level, the return on the Notes will be reduced in proportion with the decline of the RPI or such other single inflation index as may be specified in the applicable Pricing Supplement, (known as the "**downside**"). **In these circumstances, the return will be less than the initial investment and investors will suffer a reduction of their initial investment in proportion with the decline of the index level during a specified period or on a specified date. Accordingly investors will be fully exposed to the downside of the relevant index and, as a result, may lose all of their initial investment**

6) **Risks related to Equity Linked Notes that are linked to ETFs**

***Certain considerations associated with Notes relating to exchange traded funds***

An investment in Equity Linked Notes that are linked to ETFs will entail significant risks not associated with an investment in a conventional debt security. On redemption of Equity Linked Notes that are linked to ETFs, investors will receive an amount (if any) determined by reference to

the value of the interests in an ETF or interests in a basket of ETFs. Accordingly, an investment in Equity Linked Notes that are linked to ETFs may bear similar market risks to a direct ETF investment, and investors should take advice accordingly.

Equity Linked Notes that are linked to ETFs may pay an interest amount calculated by reference to the value of the interests in an ETF or interests in the basket of ETFs.

Whilst interests in ETFs are traded on an exchange and are therefore valued in a similar manner as a share traded on an exchange, certain provisions related to Equity Linked Notes that are linked to ETFs are similar to the provisions related to funds and Fund Linked Notes.

***Where the Underlying is an exchange traded fund, there is a risk that such exchange traded fund will not accurately track its underlying share or index***

Where the Notes are linked to an ETF and the investment objective of such ETF is to track the performance of a share or an index, the investors of such Notes are exposed to the performance of such ETF rather than the underlying share or index such ETF tracks. For certain reasons, including to comply with certain tax and regulatory constraints, an ETF may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF. Accordingly, investors who purchase Notes that are linked to an ETF may receive a lower return than if such investors had invested in the share or the index underlying such ETF directly.

***Action or non-performance by the management company, ETF administrator, ETF service provider or sponsor of an exchange traded fund may adversely affect the Notes***

The management company, ETF Administrator, ETF Service Provider or sponsor of an ETF will have no involvement in the offer and sale of the Notes and will have no obligation to any purchaser of such Notes. The management company, ETF Administrator, ETF Service Provider or sponsor of an ETF may take any actions in respect of such ETF without regard to the interests of the purchasers of the Notes, and any of these actions could adversely affect the market value of the Notes. In its day-to-day operations and its investment strategy, an ETF will rely on the ETF Adviser, the investment advisor, the management company and/or on third parties providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments used by such ETF to employ its investment strategy. The insolvency or non-performance of services of any such persons or institutions may expose an ETF to financial loss. Failure of procedures or systems, as well as human error or external events associated with an ETF's management and/or administration may cause losses to an ETF and affect the market value of the Notes.

***Exchange traded funds are not actively managed***

An ETF is not actively managed and may be affected by general movements in market segments related to the index or other asset it is tracking. An ETF invests in instruments included in, or that are representative of, the index or other asset it is tracking regardless of their investment merits.

***Exchange traded funds may engage in securities lending***

Securities lending involves the risk that the ETF may lose money because the borrower of the ETF's loaned securities fails to return the securities in a timely manner or at all.

***Exchange traded funds are subject to market trading risks***

An ETF faces numerous market trading risks, including but not limited to the potential lack of an active market for its shares, losses from trading in secondary markets, periods of high volatility, limited liquidity and disruption in the creation or redemption process of such ETF. If any of these risks materialises, this may lead to the ETF shares trading at a premium or discount to the net asset value.

***Investors should investigate the underlying exchange traded fund(s) as if investing directly***

To the extent the underlying(s) of a series of Notes include(s) an ETF or a basket of ETFs, investors should conduct their own diligence of the underlying exchange traded fund(s) as they would if they were directly investing in the underlying exchange traded fund(s). The offering of the Notes does not constitute a recommendation by the Issuer or any of its affiliates with respect to an investment linked to an underlying exchange traded fund (including in respect of ETFs that are managed by managers affiliated with the Issuer). Investors should not conclude that the sale by the Issuers of the Notes is any form of investment recommendation by the Issuers or any of their affiliates to invest in the underlying exchange traded fund(s).

***No ownership rights in any underlying exchange traded fund(s)***

An investment in the Notes does not entitle Noteholders to any ownership interest or rights in any underlying exchange traded fund(s), such as voting rights or rights to any payments made to owners of the underlying exchange traded fund(s). Instead, a Note represents a notional investment in the underlying exchange traded fund(s). The term "notional" is used because although the value of the underlying exchange traded fund(s) will be used to calculate payments under the Notes, an investment in the Notes may not be used to purchase interests in the underlying exchange traded fund(s) on behalf of an investor. The relevant Issuer, or an affiliate of such Issuer, may purchase interests in the underlying exchange traded fund(s) in order to hedge its obligations under the Notes but it is under no obligation to do so.

**7) Risks related to Fund Linked Notes**

An investment in Fund Linked Notes will entail significant risks not associated with an investment in a conventional debt security. On redemption, of Fund Linked Notes, investors will receive an amount (if any) determined by reference to the value of the fund shares. Accordingly, an investment in Fund Linked Notes may bear similar market risks to a direct fund investment, and investors should take advice accordingly. Fund Linked Notes pay an interest amount calculated by reference to the value of the underlying fund shares or units. The price of units or shares in a fund may be affected by the performance of the Fund Service Providers, and in particular the investment adviser.

No Fund Service Provider will have participated in the preparation of the relevant Pricing Supplement or in establishing the terms of the Fund Linked Notes and the Issuer has not carried out any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of fund shares or units contained in such Pricing Supplement or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date that would affect the trading price of the fund shares or units will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of fund shares or units could affect the trading price of the fund shares or units and therefore the trading price of the Notes. Fund Linked Notes do not provide investors with any participation rights in the underlying fund interests and do not entitle holders of Fund Linked Notes to any ownership interest or rights in such fund interests.

Except as provided in the Conditions, investors will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant fund shares or units to which such Notes relate.

Investors in Fund-Linked Notes are subject to the risk that an "**Extraordinary Fund Event**" may occur in relation to the relevant fund, including but not limited to the following:

- (i) the relevant fund is (or is to be) wound-up or similar, or makes a restructuring arrangement with its creditors or certain insolvency proceedings or similar are commenced against the fund;
- (ii) breach by the relevant fund of any applicable leverage restriction or any contractual restriction binding on or affecting the fund or any of its assets;
- (iii) resignation, termination or replacement of the fund adviser;

- (iv) any change or modification of the fund documents that could reasonably be expected to affect the value of the fund interests or the rights or remedies of any holders thereof from those prevailing on the Issue Date;
- (v) any breach of any strategy or investment guidelines stated in the fund documents that is reasonably likely to affect the value of the fund interests or the rights or remedies of any holders thereof;
- (vi) cancellation, suspension or revocation of the registration or approval of the fund interests or the fund by any governmental, legal or regulatory entity with authority over the fund interests or the fund;
- (vii) any change in the legal, tax, accounting or regulatory treatments of the fund or the fund adviser that is reasonably likely to have an adverse impact on the value of the fund interests or on any investor therein;
- (viii) the relevant fund becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged breach of applicable law for any activities relating to or resulting from the operation of the fund;
- (ix) it becomes impractical or impossible for the Calculation Agent to be able to determine the value of the fund interests in the fund and this is likely to continue for the foreseeable future, or if there is an information failure which would make it difficult to monitor the fund; and/or
- (x) the index underlying a fund is cancelled, or there is a material change in the formula or method of calculating the underlying index or other material modification of the relevant index, or the index sponsor fails to calculate and announce the underlying index.

Following the occurrence of such event ("**Extraordinary Fund Event**"), the Calculation Agent may make such adjustments to or substitutions for the affected fund interests as the Calculation Agent may determine, or the Calculation Agent may determine that the relevant Notes shall be terminated upon payment to the holders thereof of the Fair Market Value of such Notes (taking into account the redemption proceeds (if any) which a Hypothetical Investor would have received in relation to the relevant fund (in accordance with the Conditions)), each of which may result in a loss to such holders.

## 8) **Risks related to Secured Notes**

- (a) ***A Collateral Pool may not be sufficient to meet all payments in respect of the Secured Notes***

Certain Notes ("**Secured Notes**") have the benefit of security granted by the Issuer over a pool of collateral (a "**Collateral Pool**") (which may be comprised of cash and/or government bonds and/or senior or subordinated debt obligations of specified entities).

If a Series of Notes is specified in the applicable Pricing Supplement as being Secured Notes, the applicable Pricing Supplement will also specify the proportion of such Note which is secured (the "**Secured Portion**"). Notes may be fully or partially secured. If the Notes are partially rather than fully secured, the unsecured portion of the Notes will be exposed to the risk of insolvency of the Issuer. **If the Issuer were to become insolvent, an investor's return on the unsecured portion of the Notes may be substantially reduced and may be reduced to zero.**

The collateral in the Collateral Pool is valued periodically and the Issuer may be required to transfer further collateral or may withdraw collateral depending on the amount of the Issuer's obligations secured by the Collateral Pool and the value of the collateral.

Such security may be enforced if the Issuer defaults on certain obligations under the Notes and, in such circumstances, any net proceeds realised upon enforcement of the security will be applied in or towards satisfaction of the claims of, among others, the security trustee (the "**Trustee**") and any appointee and/or receiver appointed by the Trustee in

respect of the relevant Secured Notes before the claims of the holders of the relevant Secured Notes in respect of the Secured Portion. Accordingly, whilst investors in Secured Notes have recourse to any proceeds realised upon enforcement of the security and may therefore recover some of their initial investment and may as a result suffer a lesser loss on their investment than investors in unsecured Notes or other unsecured products, there is **no guarantee that investors in Secured Notes will recover the full amount of their initial investment** if the net proceeds are insufficient to satisfy the claims of all persons who benefit from such security.

The deed creating the security over a Collateral Pool (the "**Supplemental Trust Deed**") may provide for payment of a specified amount (an "**Independent Amount**"), in which case the Issuer will be required to maintain in the Collateral Pool at all times an additional amount equal to the Independent Amount. The Independent Amount is intended to address, in part, any claims that may rank ahead of the claims of the relevant holders of the Secured Notes. However, any required periodic valuations of the Collateral Pool will not value or otherwise take into account any such prior ranking claims, and the Independent Amount, if any, will not be changed from time to time. To the extent that the amounts payable in respect of prior ranking claims exceed the Independent Amount (if any) applicable to that Collateral Pool, the net proceeds realised from that Collateral Pool may be insufficient to meet in full the claims of the holders of the relevant Secured Notes.

The Supplemental Trust Deed may also provide for a specified minimum amount (the "**Minimum Transfer Amount**"), in which case the Issuer will not be required to post additional collateral following a periodic valuation if the amount of additional collateral that needs to be posted is below the Minimum Transfer Amount. Accordingly, if the security in relation to such Collateral Pool were enforced, the net proceeds realised from the Collateral Pool may be less than it otherwise would have been had there been no Minimum Transfer Amount.

Furthermore, changes in the market value of the collateral posted in the Collateral Pool arising after the date on which Secured Notes become due and payable following an event of default under the Notes may mean that the net proceeds realised upon enforcement of the security over a Collateral Pool are insufficient to meet in full the claims of the holders of the relevant Secured Notes.

The collateral assets in the Collateral Pool may be denominated in a different currency from the specified currency of the Notes, and Notes with different specified currencies may be supported by a single Collateral Pool. On enforcement, Noteholders may receive enforcement proceeds in a different currency from the specified currency of their Noteholding, or alternately may be exposed to any foreign exchange rate risk that arises where enforcement proceeds are converted into the specified currency of the Notes.

Additionally, the Pricing Supplement for any Series of Secured Notes may specify "Dealer Waiver of Rights" to be applicable. If Dealer Waiver of Rights is specified to apply, Notes of such Series which are held by the Issuer in its capacity as Dealer will not be collateralised. As further described below in the section entitled "*Dealer Waiver of Rights*", there are certain circumstances in which this could result in the relevant Collateral Pool securing such Series to be undercollateralised. In this scenario, such shortfall would be borne equally by the holders of Secured Notes of all Series collateralised by the relevant Collateral Pool rather than by the holders of any specific Series.

(b) ***Collateral Pool may secure more than one Series of Secured Notes***

A Collateral Pool may secure the Issuer's obligations with respect to more than one series of Secured Notes and an event of default under the Notes with respect to any one series of Secured Notes secured by such Collateral Pool may trigger the early redemption of all other series that are secured by the same Collateral Pool in order for the security over the entire Collateral Pool to be enforced. Such cross-default may, among other things, result in losses being incurred by holders of the Secured Notes which would not otherwise have arisen.



(c) ***Substitution of Posted Collateral***

The Issuer may request that certain items of posted collateral be substituted for other items of permitted collateral ("**Eligible Collateral**") provided that certain conditions are met, including, among others, that the value of the new item of Eligible Collateral on the date of transfer is equal to or exceeds the value of the original item of posted collateral. Any such substitution request is subject to (a) verification by the Verification Agent (Deutsche Bank AG, London branch or any successor appointed pursuant to the terms of the Agency Agreement) that the new item of collateral is Eligible Collateral; and (b) approval by the Trustee. However, neither the Verification Agent nor the Trustee is obliged to confirm that the value of the new item of Eligible Collateral is equal to or exceeds the value of the original item of posted collateral. **Following any such substitution, the market value of the new item of Eligible Collateral may fall below the value of the original item of posted collateral, and the net proceeds realised upon enforcement of the relevant Collateral Pool may therefore be less than if no such substitution had been made.**

(d) ***Custody arrangements***

An independent entity has been appointed by the Issuer and the Trustee to act as the custodian of any collateral (which may include cash) supporting the Secured Notes (the "**Custodian**"), being Deutsche Bank AG, London Branch at the date of this Offering Memorandum.

If the Issuer's financial position were to deteriorate so that it become insolvent or otherwise unable to perform any of its obligations under the Notes, such that the security over any cash posted as collateral and held in the custody of the Custodian becomes enforceable, claims of any holders of Secured Notes will be satisfied from the proceeds realised upon enforcement of such security.

However, if at or prior to the time of such enforcement the financial position of Custodian were also to deteriorate so that it also becomes insolvent, such cash amounts will not be protected from any claims of persons to whom the Custodian owed obligations. **Accordingly, such security may not be realisable in order to fully or even partially satisfy the claims of the holders of the relevant Secured Notes. In such circumstances, investors in Secured Notes may be in no better position than investors in unsecured Notes.**

Furthermore, the Custodian may appoint sub-custodians to hold such posted collateral in its place in a manner that does not provide the Issuer or Trustee with any contractual rights against the sub-custodians. Accordingly, in the event that the Trustee attempts to enforce the security over any Collateral Pool, it will have no direct rights against any sub-custodian and will need to rely on the rights that it has with respect to the Custodian. Therefore, if the Custodian becomes unable to perform its obligations, the Trustee and Issuer may have no recourse to the posted collateral and accordingly **investors in the Secured Notes may be left unprotected.**

(e) ***Valuation Agent conflicts of interest***

Investec Bank plc, in its capacity as Valuation Agent, will be responsible for carrying out periodic valuations of the posted collateral in the Collateral Pool required under the terms of the Notes. Such valuations will determine, among other things, the amount of additional collateral (if any) that Investec Bank plc, in its capacity as the Issuer, will need to post to secure its obligations with respect to the relevant series of Secured Notes. As a result of the fact that a determination that additional collateral is required to be posted will have a detrimental impact on the financial position of the Issuer, this arrangement carries the risk that the valuation given may be lower due to the Valuation Agent and the Issuer being the same entity and therefore sharing financial interests. Accordingly, certain conflicts of interest may arise between Investec Bank plc in its capacity as Valuation Agent and the holders of the Secured Notes.

If no or insufficient additional collateral is posted as a result of a deliberately inaccurate valuation, there may be insufficient proceeds realised from any enforcement of security over such Collateral Pool and accordingly **holders of the Secured Notes may suffer greater losses than envisaged.**

(f) ***Fixed charges may take effect under English law as floating charges***

The Issuer will grant a security interest (expressed to be a fixed charge) over the Collateral Pool in favour of the Trustee to be held for the benefit of the holders of the Secured Notes. However, the law in England and Wales relating to the characterisation of fixed charges is not settled and the Issuer cannot exclude the possibility that the fixed charges expressed to be granted by it may take effect under English law as floating charges only. If, contrary to the Issuer's intention, such fixed charges were to take effect as floating charges, then certain claims may be satisfied out of the net proceeds realised upon enforcement of the security over such Collateral Pool ahead of the claims of the holders of the relevant Secured Notes. Accordingly, **the net proceeds may be insufficient to pay the holders of the relevant Secured Notes in full or in part.**

In addition, if the Issuer were to go into administration pursuant to the provisions of the UK Insolvency Act 1986 (as amended by the Enterprise Act 2002), then the Trustee may not be able to enforce the security for the duration of any moratorium or stay imposed in connection with the administration procedure. This may lead to delays in the enforcement of any security and may, among other things, result in losses being incurred by the holders of the relevant Secured Notes.

Set out below are explanations of the technical legal terms "charge", "fixed charge" and "floating charge" as used in the above paragraphs::

- (i) a "**charge**" is an English law security interest that does not transfer an ownership interest in the asset which is the subject of the security and, which, among other things typically gives to the secured party a right to sell the asset upon enforcement of the charge and to apply the proceeds in or towards satisfaction of the obligations secured by it.
- (ii) a "**fixed charge**" is a charge over an asset which attaches to the asset upon the creation of the charge or (if later) upon the security-giver acquiring the asset.
- (iii) a "**floating charge**" is a charge which does not initially attach to specific assets but instead attaches to a shifting pool of assets over which it "hovers". On or before enforcement it "crystallises" and attaches to the specific assets comprised in the shifting pool at that time.

(g) ***Dealer Waiver of Rights***

If "Dealer Waiver of Rights" is specified as applicable in the applicable Pricing Supplement, for any Series of Secured Notes then any such Secured Notes held by the Issuer in its capacity as Dealer from time to time shall be deemed "**Waivable Notes**". The holder of such Waivable Notes shall provide written notice to the Valuation Agent specifying the amount of Waivable Notes it holds together with evidence of its holding (as may be requested by the Valuation Agent). Upon receipt of such notice the lesser of (i) the amount of Waivable Notes specified in such notice or (ii) the Maximum Waivable Amount of such Series of Waivable Notes specified shall be deemed to be Waived Notes. A holder of such Waived Notes shall be deemed to have irrevocably waived any and all rights or entitlement to (i) direct the Trustee to take to enforce the security or any other action pursuant to the Trust Deed, (ii) the proceeds (or any portion thereof) of any enforcement of the security by the Trustee, and (iii) be an Eligible Person (as defined in the Trust Deed) for the purpose of any Extraordinary Resolution. As a consequence, when determining the Collateral Pool on any Valuation Date, the Valuation Agent shall not take into account the early redemption amounts ("**Exposure**") in relation to Waived Notes for the purposes of calculating the Credit Support Amount (which is equal to the Exposure plus the Independent Amount).

Upon any transfer of any Waived Notes by the Issuer in its capacity as Dealer into the secondary market the Issuer in its capacity as Dealer will promptly provide written notice thereof to the Valuation Agent, the Issuer and the Trustee and, upon receipt of this notice by the Valuation Agent, the Issuer and the Trustee, such Notes so transferred will cease to be Waived Notes for all purposes thereafter. Accordingly, when determining the Credit Support Amount on any subsequent Valuation Date, the Valuation Agent shall determine the revised Exposure and make any required adjustments to the security. Until any such adjustments to the security have occurred, the value of the Collateral Pool securing a Series of Secured Notes may be less than the revised Credit Support Amount.

If the number of Waived Notes actually held on a Valuation Date relating to a particular Collateral Pool is less than the number of Waived Notes notified to the Valuation Agent (such event being a "**Waived Note Notification Error**"), then the Credit Support Amount calculated on such Valuation Date will be lower than would otherwise be the case if there was no such Waived Note Notification Error. If the relevant Supplemental Trust Deed were to be enforced prior to the correction of a Waived Note Notification Error, the proceeds of realisation of the security available to be distributed, to holders of Secured Notes will be less than would have been the case in the absence of such Waived Note Notification Error.

Each of the Trustee and the Verification Agent shall be entitled to assume that the amount of Waived Notes from time to time is as set out in the most recent notice it received from the Valuation Agent or the Dealer and neither the Trustee nor the Verification Agent shall suffer any liability to any Holder or any other interested party for so assuming.

Neither the Trustee nor the Verification Agent shall have any responsibility to monitor whether (i) any Waivable Notes or Waived Notes are in issue, (ii) the Issuer has an obligation to add to the security as a result of any Waived Notes being sold to the secondary market, or (iii) there has been any diminution in the amount or value of the security as a result of the Conditions relating to Waived Notes, and neither the Trustee nor the Verification Agent shall suffer any liability whatsoever as a result of any failure by the Issuer, the Valuation Agent or any Dealer to comply with the Conditions relating to Waived Notes.

#### 9) **Risks related to Credit Linked Notes**

Notes may be linked to the solvency or credit of one or more financial institutions, corporations and/or sovereign entities or any successor(s) thereto (each a "**Reference Entity**") (the "**Credit Linked Notes**").

The Pricing Supplement will specify whether a Series of Notes is Credit Linked (such Notes being "**Credit Linked Notes**"). The Pricing Supplement will also specify the weighting assigned to each Reference Entity in respect of the Notes (the "**Reference Entity Weighting**") (the portion of each Note linked to a particular Reference Entity being the "**Relevant Portion**").

Credit Linkage may take one of two forms – simplified credit linkage ("**Simplified Credit Linkage**") (as further described in Paragraph 9(c)(i) below) or ISDA credit linkage ("**ISDA Credit Linkage**") (as further described in Paragraph 9(c)(ii) below), as specified in the applicable Pricing Supplement.

Credit Linked Notes are complex financial instruments. **An investment in such Notes will entail significant risks not associated with conventional fixed or floating rate debt securities which do not contain such Credit Linkage feature. Credit Linked Notes are not capital protected and investors may lose all or a substantial portion of their initial investment.**

##### (a) **Reference Entities**

Reference Entities will be one or more financial institutions, corporations and/or any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof, about which there is available public information. No investigation has been or will be

made regarding any of the Reference Entities. Prospective investors in Credit Linked Notes should consider the risks relating to Reference Entities as if they were investing directly in the debt obligations of the Reference Entities. In addition, investors should understand that the historical performance of any specific debt obligation or the debt obligations of such Reference Entities generally is not predictive of future performance. The Reference Entities have not participated in the preparation of this Offering Memorandum or any Pricing Supplement. **The Pricing Supplement will provide details of where information on the Reference Entity can be obtained, however, there is a risk that such information will not contain all material events or information regarding the Reference Entities.**

(b) ***Increased credit exposure***

The redemption amount payable in respect of each Credit Linked Note is determined by reference to the credit of the Reference Entity or Reference Entities. In addition to being exposed to the risk of insolvency of the Issuer, investors in (i) Credit Linked Notes with simplified credit linkage will also be exposed to the risk that the Reference Entity becomes (a) insolvent, (b) defaults on its payment obligations or (c) is the subject of governmental intervention or a restructuring of its debt obligations (a "**Credit Event**"), or (ii) Credit Linked Notes with ISDA credit linkage becomes subject to a CDS event (broadly speaking, becomes insolvent, fails to pay amounts due on obligations or is subject to a restructuring of debt obligations in a manner that is detrimental to creditors) (a "**CDS Event**"). Therefore, **investors in Credit Linked Notes, in addition to exposure to the credit of the Issuer, will also be exposed to the credit of the specified Reference Entity/ties. Accordingly, the redemption amount payable in respect of the Credit Linked Notes may be substantially reduced.**

(c) ***Credit Linkage may take one of two forms: Simplified Credit Linkage or ISDA Credit Linkage, as specified in the applicable Pricing Supplement.***

(i) ***Simplified Credit Linkage***

If the applicable Pricing Supplement specifies that Simplified Credit Linkage is applicable in relation to a Series of Notes, and one (or more) of the specified Reference Entities becomes insolvent, defaults on its payment obligations or is the subject of governmental intervention or a restructuring of its debt obligations in a manner that is detrimental to creditors, then the Calculation Agent may give notice (a "**Credit Event Notice**") of the occurrence of such credit event (a "**Credit Event**") and the Redemption Amount of the Relevant Portion of the Note will be determined by multiplying the fair and reasonable value of such Relevant Portion by the recovery rate assigned to the Reference Entity/Entities, in accordance with the provisions of Additional Terms for Credit Linked Notes.

If a Series of Notes is specified in the applicable Pricing Supplement as being Credit Linked with Simplified Credit Linkage, the applicable Pricing Supplement will also specify the proportion of such Note which is Credit Linked (the "**Credit Linked Portion**"). Notes may be fully or partially credit linked.

If one or more Reference Entities is subject to a Credit Event an investor in such Notes may receive considerably less than the amount paid by such investor for the Notes, irrespective of the performance of any Underlying and, if all of the relevant Reference Entities (or, in the case of a Note referencing a single Reference Entity, that Reference Entity) is subject to a Credit Event, investors in such Notes may lose all of their investment in the Credit Linked Portion of the Note.

The redemption amount payable in respect of the Relevant Portion of the Note following the giving of a Credit Event Notice will be determined by the Calculation Agent, acting in a commercially reasonable manner, by reference to the "**Adjusted Fair Market Value**" of the Relevant Portion of the Note (being the fair market value of the proportion of the relevant Notes less any costs,

expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes) and the "**Recovery Rate**" (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes).

The Recovery Rate is either:

- (A) if "**General Recovery Rate**" is specified in the applicable Pricing Supplement, a rate or percentage determined in accordance with a market standard auction process for the debt obligations of the relevant Reference Entity (or, if no such auction is held, pursuant to market standard fallback valuation provisions); or
- (B) if "**Zero Recovery Rate**" is specified in the applicable Pricing Supplement, zero.

**If a "General Recovery Rate" is specified and such Recovery Rate in respect of a Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the Relevant Portion.**

**If a "Zero Recovery Rate" is specified in respect of a Reference Entity, an investor will receive zero in relation to the Relevant Portion.**

Investors should note that where "General Recovery Rate" is specified, the Recovery Rate in respect of a Reference Entity will be determined by reference to an auction coordinated by ISDA in respect of certain obligations of the Reference Entity/Entities or, in certain circumstances, including if such an auction is not held, a market price as determined by the Calculation Agent.

The level of seniority of the obligations of a Reference Entity used to determine the Recovery Rate will be specified in the applicable Pricing Supplement. Where, following the Issue Date, circumstances arise that in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Pricing Supplement, the Calculation Agent will select a replacement level of seniority which the Calculation Agent acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority.

Accordingly, the redemption amount payable in respect of Relevant Portion of the Note may be different from the return that investors would have received had they been holding a particular debt instrument issued by the specified Reference Entity.

#### Postponement of Payment of Redemption Amount

If, prior to the Maturity Date of a Series of Credit Linked Notes with simplified Credit Linkage, a Credit Event has occurred with respect to the relevant Reference Entity/Entities, payment of the redemption amount in respect of the Relevant Portion(s) linked to the relevant Reference Entity/Entities may be delayed by up to 60 calendar days plus five business days.

#### Cessation of accrual of Interest

Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Interest Payment Date immediately preceding the Credit Event Notice Date or, in the case of a Credit Event Notice Date occurring during the first Interest Period, the Interest Commencement Date. Cessation of accrual of interest may impact any Notes that pay an interest amount and an investor in these Notes may receive a lower return.

(ii) ISDA Credit Linkage

If the applicable Pricing Supplement specifies that ISDA Credit Linkage is applicable in relation to a Series of Notes, and one (or more) of the specified Reference Entities becomes subject to a CDS event (broadly speaking, becomes insolvent, fails to pay amounts due on obligations or is subject to a restructuring of debt obligations in a manner that is detrimental to creditors) (a "**CDS Event**"), then the Calculation Agent may give notice (a "**CDS Event Notice**") of the occurrence of such CDS Event and the Redemption Amount of the Relevant Portion of the Note will be determined by multiplying the fair and reasonable value of such Relevant Portion by the recovery rate assigned to the Reference Entity/Entities, in accordance with the provisions of the Additional Terms for Credit Linked Notes.

Following the giving of a CDS Event Notice, the Redemption Amount payable in respect of the Relevant Portion (the "**CDS Event Redemption Amount**") will be determined by the Calculation Agent, acting in a commercially reasonable manner:

- (A) If "Option A" is specified as applicable in relation to CDS Event Redemption Amount in the applicable Pricing Supplement, by reference to the "**Adjusted Fair Market Value**" of the Relevant Portion (or 100% of the Note, as applicable) (being the fair market value of the Notes, or proportion of the relevant Notes (as applicable), less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes) and the "**Recovery Rate**" (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes); or
- (B) If "Option B" is specified as applicable in relation to CDS Event Redemption Amount in the applicable Pricing Supplement, by reference to the outstanding notional amount of the Relevant Portion of the Note and the "**Recovery Rate**" (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes) less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes.

The applicable Pricing Supplement will specify whether the Relevant Portion of the Notes will redeem (and the Redemption Amount will, subject to further adjustment, be payable) on (i) the originally scheduled Maturity Date of the Notes or (ii) the date falling three Business Days after the date on which payments would be settled under a notional credit derivative transaction referencing the Reference Entity (the "**CDS Event Redemption Date**").

If one or more Reference Entities is subject to a CDS Event an investor in such Notes may receive **considerably less than the amount paid by such investor for the Notes, irrespective of the performance of any Underlying and, if all of the relevant Reference Entities (or, in the case of a Note referencing a single Reference Entity, that Reference Entity) is subject to a CDS Event, there is a risk that an investor's return on the Note may be zero.**

If the Parallel Credit Linkage Provisions are specified in the applicable Pricing Supplement as being applicable to the Notes, in addition to being linked to the credit of the Reference Entities, 100% of the Notes will also be linked to the credit of a parallel credit reference entity (the "**Parallel Credit Reference Entity**"). Following the giving of a CDS Event Notice in respect of the Parallel Credit Reference Entity, the Redemption Amount payable in respect of the Notes will

be determined by the Calculation Agent, acting in a commercially reasonable manner:

- (A) If "Option A" is specified as applicable in relation to CDS Event Redemption Amount in the applicable Pricing Supplement, by reference to the "**Adjusted Fair Market Value**" of the Relevant Portion (or 100% of the Note, as applicable) (being the fair market value of the Notes, or proportion of the relevant Notes (as applicable), less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes) and the "**Recovery Rate**" in respect of the Parallel Credit Reference Entity (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes); or
- (B) If "Option B" is specified as applicable in relation to CDS Event Redemption Amount in the applicable Pricing Supplement, by reference to the outstanding notional amount of the Relevant Portion of the Note and the "**Recovery Rate**" in respect of the Parallel Credit Reference Entity (being an amount determined by the Calculation Agent in accordance with the Additional Terms for Credit Linked Notes) less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes.

The applicable Pricing Supplement will specify a CDS Event Redemption Date for Parallel Credit Linkage which may differ from the CDS Event Redemption Date specified in respect of the Reference Entities.

If the Parallel Credit Reference Entity is subject to a CDS Event an investor in such Notes may receive **considerably less than the amount paid by such investor for the Notes, irrespective of the performance of any Underlying and there is a risk that an investor's return on the Note may be zero.**

The Recovery Rate is either:

- (A) if "**General Recovery Rate**" is specified in the applicable Pricing Supplement, a rate or percentage determined in accordance with a market standard auction process for the debt obligations of the relevant Reference Entity (or, if no such auction is held, pursuant to market standard fallback valuation provisions); or
- (B) if "**Specific Recovery Rate**" is specified in the applicable Pricing Supplement, a rate or percentage that represents the market value of a specified debt obligation (the "**Reference Obligation**") (as specified in the applicable Pricing Supplement) of the Reference Entity as determined by the Calculation Agent; or
- (C) if "**Zero Recovery Rate**" is specified in the applicable Pricing Supplement, zero.

**If either a "General" or "Specific" Recovery Rate is specified and such Recovery Rate in respect of a Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the Relevant Portion. If either a "General" or "Specific" Recovery Rate is specified and such Recovery Rate in respect of the Parallel Credit Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the entire Note.**

**If a "Zero Recovery Rate" is specified in respect of a Reference Entity, an investor will receive zero in relation to the Relevant Portion. If a "Zero**

**Recovery Rate" is specified in respect of a Parallel Credit Reference Entity, an investor will receive zero in relation to the entire Note.**

Investors should note that where no particular debt instrument is specified in the applicable Pricing Supplement for the purposes of determining the Recovery Rate the redemption amount payable in respect of the Relevant Portion of each Note with a Credit Linkage feature may be different from the return that investors would have received had they been holding a particular debt instrument issued by the specified Reference Entity.

Where no particular debt instrument is specified in the applicable Pricing Supplement, the level of seniority of the obligations of a Reference Entity used to determine the General Recovery Rate will be specified in the applicable Pricing Supplement. Where, following the Issue Date, circumstances arise that in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Pricing Supplement, the Calculation Agent will select a replacement level of seniority which the Calculation Agent, acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority.

Investors should note that where a particular debt instrument is specified in the applicable Pricing Supplement for the purposes of determining the Recovery Rate the redemption amount payable in respect of the Relevant Portion of each Note with Credit Linkage may be different from the return that investors would have received had they been holding that debt instrument or another debt instrument issued by the specified Reference Entity.

Additionally, if the Pricing Supplement specifies that the Recovery Rate is subject to gearing, the Recovery Rate will be reduced by the gearing percentage specified in the applicable Pricing Supplement (subject to a floor of zero). **As a result an investor will get back less than their initial investment in relation to the Relevant Portion (or the Note, as applicable) and there is a risk that an investor's return may be substantially reduced or reduced to zero.**

#### Extension of Maturity

At any time prior to the Maturity Date of Credit Linked Notes with ISDA Credit Linkage, Noteholders may receive notice (in accordance with Condition 13 (*Notices*)) that the Maturity Date of the Notes is to be extended in line with notice timeframes under market standard documents for credit protection in relation to the relevant Reference Entity relating to any Relevant Portion of a Note, to determine whether or not a credit event had occurred in respect of the relevant Reference Entity prior to maturity. **Accordingly, investors may not receive the redemption payment relating to the Relevant Portion of the Note linked to the Reference Entity, until such time as it is determined whether or not a credit event occurred prior to the maturity date in relation to the debt obligations of the Reference Entity.**

#### Postponement of Payment of Redemption Amount

If, prior to the Maturity Date of a Series of Credit Linked Notes with ISDA Credit Linkage, a CDS Event has occurred with respect to the relevant Reference Entity/Entities, payment of the redemption amount in respect of the Relevant



Portion(s) linked to the relevant Reference Entity/Entities may be postponed until the relevant redemption amount can be established.

Reference Obligations may consist of subordinated debt

Any Reference Obligations specified in the applicable Pricing Supplement for Credit Linked Notes may include debt obligations, which are described as subordinated. Such subordinated debt obligations will rank junior to, and the value of such subordinated debt obligations may be less than that of, senior obligations in respect of the same issuer, and the value of such subordinated debt obligations may even be zero in circumstances where a credit event has occurred. The Issuer is under no fiduciary duty to select reference assets of any particular value or that maximise value for Noteholders. The applicable Pricing Supplement will specify the relevant criteria in respect of any subordinated debt obligation that is a Reference Obligation.

Cessation of accrual of Interest

Interest (if any) on the Relevant Portion of the Notes (or, in the case of a Note in which the Parallel Credit Linkage Provisions are specified to be applicable, 100% of Notes) shall cease to accrue from (but excluding) the Event Determination Date immediately preceding the CDS Event Notice Date or, in the case of a CDS Event Notice Date occurring during the first Interest Period, the Interest Commencement Date. Cessation of accrual of interest may impact any Notes that pay an interest amount and an investor in these Notes may receive a lower return.

Interest Postponement

At any time, Noteholders of Credit Linked Notes with ISDA Credit Linkage may receive notice (in accordance with Condition 13 (*Notices*)) that a payment of interest scheduled to be paid on any date in respect of any Relevant Portion of a Note (or, in the case of a Note in which the Parallel Credit Linkage Provisions are specified to be applicable, 100% of Notes) is to be suspended, where the Calculation Agent determines that a CDS Event has or may have taken place in relation to the relevant Reference Entity (or, in the case of a Note in which the Parallel Credit Linkage Provisions are specified to be applicable, the Parallel Credit Reference Entity) whereupon such interest payment shall be suspended in accordance with the terms of such notice. **No additional interest is payable and no adjustment is to be made in connection with such delay or postponement.**

(d) ***A Reference Entity may be replaced by a successor***

The Calculation Agent may specify a successor to a Reference Entity (a "**Successor**") in circumstances where there has been a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event (a "**Succession Event**") in respect of such Reference Entity.

This would potentially include a situation where, pursuant to Directive 2014/59/EU (the "**Recovery and Resolution Directive**") and the implementing legislation in the relevant jurisdiction, the retail banking activities of a Reference Entity are moved into a legally distinct, operationally separate and economically separate and independent entity (so-called "**ring fencing**").

When making such selection, the Calculation Agent is obliged to act in a commercially reasonable manner, and in doing so is entitled to take into account any hedging position or arrangement that the Issuer or any of its affiliates may have entered into in connection with the Notes, but is not required to take into account the interests of the holders of any Notes. In circumstances where, prior to a Succession Event, the relevant Reference Entity was carrying on business as an authorised deposit-taker, the Calculation Agent is required, to the extent possible, to specify as the Successor a successor entity which is not carrying on business as an authorised deposit-taker, or in the event that this is not possible, the

successor entity for which such deposit-taking business is the least significant part of its business.

It is possible that the creditworthiness of a Successor will be less than that of the original Reference Entity. **In these circumstances there may be a greater risk of the occurrence of a Credit Event in respect of the Successor than may have existed in respect of the original Reference Entity and, accordingly, investors may be exposed to a greater risk of a reduced return on their investment or of suffering a loss in these circumstances.**

(e) ***Correlation risk***

The likelihood of a Credit Event or a CDS Event or occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition of such Reference Entity, general economic conditions, the condition of financial markets, political events, developments and trends in a particular industry and prevailing interest rates. With respect to Credit Linked Notes which are linked to more than one Reference Entity, such Reference Entities are likely to be entities operating in the same industry and/or geographical area (for example, banks or financial institutions operating in the UK). Accordingly, a credit deterioration in one Reference Entity may be strongly correlated with the credit deterioration of the other Reference Entities. If one Reference Entity is negatively affected by certain market conditions, such market conditions are likely to also affect the other Reference Entities and/or the Issuer. **This may result in substantial decreases in the return payable on such Credit Linked Note over a short period of time as more than one Reference Entity and possibly also the Issuer is affected by the same market conditions. Furthermore, the occurrence of a Credit Event or a CDS Event in relation to one Reference Entity may exacerbate market conditions and contribute to the credit deterioration of the other relevant Reference Entities and/or the Issuer.**

(f) ***Issuer need not suffer or prove financial loss with respect to any Reference Entity***

With respect to Credit Linked Notes, the Issuer may but is not required under the terms of the deed relating to such Credit Linked Notes ("**Trust Deed**") to purchase debt securities of the relevant Reference Entities to post as collateral. Under the terms of the Trust Deed, the Issuer may post cash, government debt obligations and/or debt obligations of the relevant Reference Entities and accordingly the Collateral Pool for such Credit Linked Notes may not in fact include debt instruments of one or more of the relevant Reference Entities. **Following the delivery of a Credit Event Notice or a CDS Event Notice with respect to any Reference Entity, the return payable to an investor in the Credit Linked Notes will be reduced and may be reduced substantially but there is no need for the Issuer to suffer any loss or provide evidence of financial loss in such instances.**

**10) Risks related to the market generally**

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

***The secondary market generally***

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

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, commissions paid by the Issuer or the Dealer and the financial condition of the Issuer. Although application has been made for this Offering Memorandum to be approved by the Irish Stock Exchange and the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market (and application may also be made for the Notes issued under the Programme to be admitted listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system (including, without limitation the Nordic MTF of the Nordic Growth Market NGM AB ("**NDX**") and the Nasdaq First North market of Nasdaq Stockholm AB ("**First North Stockholm**")) there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted, that an active trading market will develop or that any listing or admission to trading will be maintained.

#### *Similar public offerings*

If a large number of public offerings of similar notes or securities similar to the Underlying (or a component thereof) are made in the United Kingdom or elsewhere, the Notes may attract fewer investors. In addition, factors affecting the economy of the country or countries in which the companies whose shares comprise the Underlying (or components thereof) conduct their operations may affect the value of the Underlying and may make the Underlying, and accordingly the Notes, less attractive to investors. Accordingly, the trading price of the Notes may be adversely affected.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

#### *Credit ratings may not reflect all risks*

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

#### *Credit ratings of Issuer*

The value of the Notes may be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by standard statistical rating services, such as Moody's Investors Service Limited, Fitch Ratings Limited and Global Credit Rating Co. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer, by one of these rating agencies could result in a reduction in the trading value of the Notes. Investors should be aware that any rating of the Issuer reflects the independent opinion of the relevant rating agency and is not a guarantee of the Issuer's credit quality. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

11) **Risks associated with certain other miscellaneous features and terms of the Notes, including settlement, discretions, Issuer substitution and amendments**

The conditions of the Notes contain provisions for calling meetings to consider matters generally affecting the interests of holders of the relevant Notes (the "**Noteholders**"). Defined majorities are capable of binding all Noteholders with respect to matters considered at such meetings, including Noteholders who did not attend or vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any actual or potential event of default shall not be treated as such or (iii) the substitution of a company other than the Issuer as principal debtor under any Notes. **Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes are varied against their will, which may result in an investment in any Notes becoming less advantageous to a particular Noteholder depending on individual circumstances.**

12) **Risks related to legal framework of the Notes**

(a) ***U.S. Withholding on dividend equivalent payments***

The U.S. Treasury Department has released regulations under Section 871(m) of the U.S. Internal Revenue Code, which require withholding of up to 30% (depending on whether an income tax treaty or other exemption applies) on payments or deemed payments made to non-U.S. persons on certain financial instruments to the extent that such payments are contingent upon or determined by reference to U.S.-source dividends. Significant aspects of the application of these regulations to the Notes are uncertain. Payments on Notes made after 31 December 2016 that are treated by the applicable Treasury regulations as being contingent upon, or adjusted to reflect, any U.S.-source dividends may be subject to this withholding. In addition, the regulations could impose withholding tax on non-U.S. persons to the extent U.S.-source dividends are paid on the underlying equity securities, even if no corresponding payment is made on the Notes to the non-U.S. persons. Section 871(m) of the U.S. Internal Revenue Code may apply to Notes that are issued (or significantly modified) on or after 1 January 2017. The Issuer will not be required to pay any additional amounts or otherwise indemnify any person with respect to amounts so withheld.

(b) ***No Gross Up***

Unless the Pricing Supplement specifies that Condition 7A (*Taxation – No Gross Up*) is not applicable and that Condition 7B (*Taxation – Gross Up*) is applicable, the Issuer will not be obliged to gross up, or pay any additional amounts in respect of, any payments in respect of the Notes and Receipts in respect of which any withholding or deduction has been required to be made in respect of any tax. Accordingly, investors may receive a lower return than would be received on an investment where no withholding tax is payable or where the relevant issuer has an automatic obligation to gross up any payments.

(c) ***Notes where denominations involve integral multiples: definitive Notes***

In relation to any issue of Notes which have denominations consisting of a minimum specified denomination (the "**Specified Denomination**") plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. Holdings which are not in integral multiples of the Specified Denomination will be rounded downwards in all instances.

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

(d) ***Notes may be subject to bail-in under European and UK bank resolution legislation***

There is a risk that Notes issued by the Issuer may be subject to the intervention tools under Directive 2014/59/EU (the "**Recovery and Resolution Directive**" or "**RRD**") as implemented in the United Kingdom by the UK Banking Act 2009 (the "**Banking Act**"). Such tools give the relevant UK resolution authority the power to cancel all of the principal amount of, or interest on, certain unsecured liabilities of a failing financial institution and/or to convert certain debit claims into another security, including ordinary shares of the surviving entity, if any.

The powers granted to the relevant UK resolution authority under the Banking Act also include a bail-in option. The bail-in option includes the power to cancel certain unsecured liabilities or modify the terms of contracts for the purposes of reducing or modifying the liabilities of the bank under resolution and the power to convert a liability from one form to another.

The Banking Act also contains a number of other powers which have been granted to the relevant UK resolution authorities in relation to financial institutions and their holding companies which could have a material impact on the Issuer and/or any Notes issued by it.

Any of the above powers under the Banking Act (including especially the bail-in powers) could materially affect the market value of any Notes and could lead to Noteholders losing some or all of their investment.

**For a more detailed discussion of the risks that arise as a result of the Banking Act or the RRD, please refer to the risk factor in the Registration Document entitled "Applicable Bank Resolution Powers", which is incorporated into this Offering Memorandum by reference.**

(e) ***Change of law***

The conditions of the Notes are based on English law in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Memorandum.

In particular, in light of the United Kingdom's exit from the EU ("**Brexit**"), there could be significant changes to those EU laws applicable in the United Kingdom. While Brexit will not in and of itself affect the validity of the Banking Act (through which the BRRD is implemented) and other relevant legislative measures implementing EU directives will be preserved, and EU regulations have been on-shored (with amendments) pursuant to the European Union (Withdrawal) Act 2018, it is possible that subsequent changes in law affecting the rights of Noteholders could take place following the end of the transition period (expected to end on 31 December 2020) (the "**Transition Period**").

**Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes may be varied, which may result in an investment in any Notes becoming less advantageous.**

(f) ***Regulation applicable to the Issuer***

The Issuer is an entity to which certain UK and European regulatory regimes, including the Banking Act 2009 and the Recovery and Resolution Directive, apply. If the Issuer is subject to the exercise of certain powers under such regimes (for instance, write down and conversion of capital instruments or bail in) the value of the Notes may be affected.

**Noteholders should refer to the risk factor entitled "Applicable Bank Resolution Powers" on pages 19 to 20 of the Registration Document of the Issuer dated 17 July 2019 for further information in respect of the Issuer's exposure under such regulatory regimes.**

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be incorporated in, and to form part of, this Offering Memorandum, save that any documents incorporated by reference in any of the documents set forth below do not form part of this Offering Memorandum:

1. the registration document (the "**Registration Document**") of the Issuer dated 17 July 2019.
2. the annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2018 of the Issuer, which has previously been published and filed with the Irish Stock Exchange ("**ISE**");
3. the annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2019 of the Issuer, which has previously been published and filed with the ISE;
4. the unaudited consolidated interim financial information for the six months ended 30 September 2019 of the Issuer, which has been previously published and filed with the ISE;
5. the General Terms and Conditions of the Notes contained on pages 41 to 69 of the £2,000,000,000 Impala Bonds Offering Memorandum dated 4 March 2016 (the "**2016 Offering Memorandum** ") (the "**2016 General Conditions**");
6. Part B (*Equity-Linked Notes/Index-Linked Notes/Fund Linked/Multi Underlying Linked Notes*) contained on pages 120 to 177 of the 2016 Offering Memorandum (the "**2016 Terms for Equity-Linked Notes/Index-Linked Notes/Fund-Linked/Multi Underlying Linked Notes**");
7. Part C (*Inflation Linked Notes*) contained on pages 196 to 210 of the 2016 Offering Memorandum (the "**2016 Terms for Inflation Notes**");
8. Part D (*Additional Terms and Conditions of the Secured Notes*) contained on pages 206 to 210 of the 2016 Offering Memorandum (the "**2016 Terms for Secured Notes**");
9. Part E (*Additional Terms and Conditions of the Credit-Linked Notes*) contained on pages 211 to 224 of the 2016 Offering Memorandum (the "**2016 Terms for Credit-Linked Notes**" and together with the 2016 General Conditions, the 2016 Terms for Equity-Linked Notes/Index-Linked Notes/Fund-Linked/Multi Underlying Linked Notes, the 2016 Terms for Inflation Notes and the 2016 Terms for Secured Notes, the "**2016 Conditions**");
10. the General Terms and Conditions of the Notes contained on pages 40 to 70 of the £2,000,000,000 Impala Bonds Offering Memorandum dated 3 March 2017 (the "**2017 Offering Memorandum** ") (the "**2017 General Conditions**");
11. Part B (*Equity-Linked Notes/Index-Linked Notes/Fund Linked/Multi Underlying Linked Notes*) contained on pages 120 to 196 of the 2017 Offering Memorandum (the "**2017 Terms for Equity-Linked Notes/Index-Linked Notes/Fund-Linked/Multi Underlying Linked Notes**");
12. Part C (*Inflation Linked Notes*) contained on pages 197 to 207 of the 2017 Offering Memorandum (the "**2017 Terms for Inflation Notes**");
13. Part D (*Additional Terms and Conditions of the Secured Notes*) contained on pages 208 to 212 of the 2017 Offering Memorandum (the "**2017 Terms for Secured Notes**");
14. Part E (*Additional Terms and Conditions of the Credit-Linked Notes*) contained on pages 213 to 226 of the 2017 Offering Memorandum (the "**2017 Terms for Credit-Linked Notes**" and together with the 2017 General Conditions, the 2017 Terms for Equity-Linked Notes/Index-Linked Notes/Fund-Linked/Multi Underlying Linked Notes, the 2017 Terms for Inflation Notes and the 2017 Terms for Secured Notes, the "**2017 Conditions**");
15. the General Terms and Conditions of the Notes contained on pages 42 to 72 of the £2,000,000,000 Impala Bonds Offering Memorandum dated 6 March 2018 (the "**2018 Offering Memorandum** ") (the "**2018 General Conditions**");

16. Part B (*Equity-Linked Notes/Index-Linked Notes/Fund Linked/Multi Underlying Linked Notes*) contained on pages 122 to 198 of the 2018 Offering Memorandum (the "**2018 Terms for Equity-Linked Notes/Index-Linked Notes/Fund-Linked/Multi Underlying Linked Notes**");
17. Part C (*Inflation Linked Notes*) contained on pages 199 to 209 of the 2018 Offering Memorandum (the "**2018 Terms for Inflation Notes**");
18. Part D (*Additional Terms and Conditions of the Secured Notes*) contained on pages 210 to 214 of the 2018 Offering Memorandum (the "**2018 Terms for Secured Notes**");
19. Part E (*Additional Terms and Conditions of the Credit-Linked Notes*) contained on pages 215 to 228 of the 2018 Offering Memorandum (the "**2018 Terms for Credit-Linked Notes**" and together with the 2018 General Conditions, the 2018 Terms for Equity-Linked Notes/Index-Linked Notes/Fund-Linked/Multi Underlying Linked Notes, the 2018 Terms for Inflation Notes and the 2018 Terms for Secured Notes, the "**2018 Conditions**");
20. the General Terms and Conditions of the Notes contained on pages 43 to 75 of the £2,000,000,000 Impala Bonds Offering Memorandum dated 27 March 2019 (the "**2019 Offering Memorandum**") (the "**2019 General Conditions**");
21. Part B (*Equity-Linked Notes/Index-Linked Notes/Fund Linked/Multi Underlying Linked Notes*) contained on pages 125 to 202 of the 2019 Offering Memorandum (the "**2019 Terms for Equity-Linked Notes/Index-Linked Notes/Fund-Linked/Multi Underlying Linked Notes**");
22. Part C (*Inflation Linked Notes*) contained on pages 203 to 213 of the 2019 Offering Memorandum (the "**2019 Terms for Inflation Notes**");
23. Part D (*Additional Terms and Conditions of the Secured Notes*) contained on pages 214 to 218 of the 2019 Offering Memorandum (the "**2019 Terms for Secured Notes**"); and
24. Part E (*Additional Terms and Conditions of the Credit-Linked Notes*) contained on pages 219 to 232 of the 2019 Offering Memorandum (the "**2019 Terms for Credit-Linked Notes**" and together with the 2019 General Conditions, the 2019 Terms for Equity-Linked Notes/Index-Linked Notes/Fund-Linked/Multi Underlying Linked Notes, the 2019 Terms for Inflation Notes and the 2019 Terms for Secured Notes, the "**2019 Conditions**").

Following the publication of this Offering Memorandum, a supplement may be prepared by the Issuer and approved by the Irish Stock Exchange Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Memorandum or in a document which is incorporated by reference in this Offering Memorandum. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Memorandum.

The documents incorporated by reference in this Offering Memorandum shall not include any documents which are themselves incorporated by reference in such incorporated documents ("daisy chained" documents). Such daisy chained documents shall not form part of this Offering Memorandum. Where only part of the documents listed above have been incorporated by reference, only information expressly incorporated by reference herein shall form part of this document and the non-incorporated parts are either not relevant for the investor or covered elsewhere in this Offering Memorandum.

Copies of the documents incorporated by reference in this Offering Memorandum can be obtained from the registered office of the Issuer at 30 Gresham Street, London EC2V 7QP and from the specified offices of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Memorandum which is capable of affecting the assessment of any Notes, prepare and publish a supplement to this Offering Memorandum or prepare and publish a new offering memorandum for use in connection with any subsequent issue of Notes.



## DESCRIPTION OF THE FEATURES OF THE NOTES

This section provides details of how an investment in the Notes works and how payments under the Notes are calculated.

### Introduction

Under the Programme, the Issuer may from time to time issue, among other things, "**Fixed Rate Notes**", "**Floating Rate Notes**", "**Zero Coupon Notes**", "**Equity Linked Notes**", "**Fund Linked Notes**", "**Index Linked Notes**", "**Multi Underlying Linked Notes**" or "**Inflation Linked Notes**".

Fixed Rate Notes and Floating Rate Notes are Notes in relation to which the interest payable is at a fixed rate or a floating rate respectively. Notes may also be issued under the Programme that do not bear interest, including Zero Coupon Notes, which are Notes in respect of which certain specified provisions apply.

Equity Linked Notes are Notes in relation to which some or all of the interest payable and/or the redemption amount payable at maturity is determined by the performance of a single share in a company which is listed on a stock exchange or a basket of shares or a single exchange traded fund (an "**ETF**") which is listed on a stock exchange or a basket of ETFs.

Index Linked Notes are Notes in relation to which some or all of the interest payable and/or the redemption amount payable at maturity is determined by the performance of an index, being the FTSE® 100 Index, FTSE® All-World Index, the S&P 500® Index, the EuroSTOXX® Index, the MSCI® Index, the MSCI® Emerging Markets Index, the HSCEI Index, the DAX Index, the S&P ASX 200 (AS51) Index, the CAC 40 Index, the Nikkei, the JSE Top40 Index, the Finvex Sustainable Efficient Europe 30 Price Index, the Finvex Sustainable Efficient World 30 Price Index, the BNP Paribas SLI Enhanced Absolute Return Index, the Tokyo Stock Exchange Price Index, the EVEN 30™ Index, the EURO 70™ Low Volatility Index or any other index specified in the applicable Pricing Supplement, or a basket of indices.

Fund Linked Notes are Notes in relation to which some or all of the interest payable and/or the redemption amount payable at maturity is determined by the performance of a single fund interest or a basket of fund interests.

Multi Underlying Linked Notes are Notes in relation to which some or all of the interest payable and/or the redemption amount payable at maturity is determined by the performance of two or more separate underlyings, being any combination of the eligible underlyings for Equity Linked Notes, Index Linked Notes and Fund Linked Notes.

Inflation Linked Notes are Notes in relation to which some or all of the interest payable and/or the redemption amount payable at maturity is determined by reference to an inflation rate.

The underlying index, share, basket of indices or basket of shares or inflation rate used to determine the interest and/or redemption amount payable on the Equity Linked Notes, Fund Linked Notes, Index Linked Notes or Inflation Linked Notes is referred to as the "**Underlying**". Two or more underlying assets (being any combination of a share, a basket of shares, an index, a basket of indices, a fund interest or a basket of fund interests) are used to determine the redemption amount payable on Multi Underlying Linked Notes (the "**Underlyings**").

Equity Linked Notes, Index Linked Notes, Fund Linked Notes, Multi-Underlying Linked Notes and Inflation Linked Notes may also be Fixed or Floating Rate Notes.

A document known as a "**Pricing Supplement**" will be prepared for each issue of Notes. The Pricing Supplement will give further details of, among other things, the Underlying(s), any Fixed Rate or Floating Rate of interest, details of how payments in respect of the Notes will be calculated and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the terms and conditions in this Offering Memorandum in respect of a particular Tranche of Notes, replace or modify the terms and conditions in this Offering Memorandum in respect of such Tranche of Notes.

### Amounts payable on redemption of the Notes

Unless it has been redeemed (i.e. repaid) early, a Note will be redeemed at the end of its term on the "**Maturity Date**".

Certain Equity Linked Notes, Index Linked Notes, Fund Linked Notes and Multi-Underlying Linked Notes may redeem early ("**kick-out**") on certain specified dates before the Maturity Date depending on the performance of the Underlying ("**Kick-Out Notes**").

The redemption amount of the Notes may depend on the performance of the relevant Underlying(s) and on the redemption provisions ("**Redemption Provisions**") referenced or set out in the Pricing Supplement applicable to such Note.

#### **Interest Amounts payable on the Notes**

The Notes may bear interest at a fixed rate or a floating rate and/or may pay interest at an amount linked to the performance of one or more relevant Underlying(s), or may be non-interest bearing.

Set out below is a more detailed description of the various types of Note.

#### **Interest Payments on Fixed Rate Notes**

If "Fixed Rate Note provisions" are specified as applicable in the applicable Pricing Supplement, the Notes will bear interest at a fixed percentage rate. This is referred to in the Pricing Supplement as the "**Rate of Interest**" and will either be expressed as a percentage rate per annum or a percentage rate for another fixed period.

In order to calculate the amount of interest or "**Interest Amount**" payable per Note for the period from and including the previous Interest Payment Date to but excluding the current Interest Payment Date (or, in the case of the first Interest Payment Date, from the date which is specified as being the "**Interest Commencement Date**" until the first Interest Payment Date) (each such period an "**Interest Period**"), the Calculation Agent will apply the Rate of Interest to the outstanding principal amount of the Notes and multiply the product by a fraction known as a "**Day Count Fraction**". The Day Count Fraction reflects the number of days in the period for which interest is being calculated. The Issuer may specify this interest as "**Fixed Coupon Amounts**" in the Pricing Supplement.

If interest needs to be calculated for a period other than an Interest Period due to an unscheduled redemption of the Notes or the occurrence of a "kick out", the provisions above shall apply save that the period reflected by the Day Count Fraction shall be the period from the previous Interest Payment Date (or Interest Commencement Date, as applicable) to but excluding the relevant date of redemption.

#### **Interest Payments on Floating Rate Notes**

If "Floating Rate Note provisions" are specified as applicable in the applicable Pricing Supplement, the Notes will bear interest at a Rate of Interest which is a variable percentage rate per annum or such other period as specified in the applicable Pricing Supplement.

The Rate of Interest for Floating Rate Notes for a given Interest Period will be calculated by the Calculation Agent by reference either to:

- (i) where "**Screen Rate Determination**" is specified as applicable in the applicable Pricing Supplement, quotations provided electronically by banks in the "Relevant Financial Centre" specified in the applicable Pricing Supplement; or
- (ii) where "**ISDA Determination**" is specified as applicable in the applicable Pricing Supplement, a notional interest rate on a swap transaction in the Specified Currency and,

in either case, where specified in the applicable Pricing Supplement, the addition of an additional percentage rate per annum (known as the "**Margin**").

In order to calculate the "**Interest Amount**" payable per Note for the period from and including the previous Interest Payment Date to but excluding the current Interest Payment Date (or, in the case of the first Interest Payment Date, from the date which is specified as being the "**Interest Commencement Date**" until the first Interest Payment Date) (each such period an "**Interest Period**"), the Calculation Agent will apply the Rate of Interest to the outstanding principal amount of the Notes and multiply the product by a fraction known as a "**Day Count Fraction**". The Day Count Fraction reflects the number of days in the period for which interest is being calculated.

If interest needs to be calculated for a period other than an Interest Period due to an unscheduled redemption of the Notes or the occurrence of a "kick out", the provisions above shall apply save that the period reflected by the Day Count Fraction shall be the period from the previous Interest Payment Date (or Interest Commencement Date, as applicable) to but excluding the relevant date of redemption.

Where "**Minimum Interest Rate**" is specified in the applicable Pricing Supplement, the Rate of Interest will be restricted from falling below a fixed percentage level per annum (i.e. a so-called "**floor**"). Where a "**Maximum Interest Rate**" is specified in the applicable Pricing Supplement, the Rate of Interest will not exceed a fixed percentage level per annum (i.e. a so-called "**cap**").

#### ***Interest payments linked to an Underlying***

The Pricing Supplement may specify a set of Redemption Provisions under which some or all of the interest payable in respect of the Notes depends on the performance of an Underlying. In such circumstances, on each Interest Payment Date the Calculation Agent will determine the Underlying-linked interest amounts payable to Noteholders on the basis of such provisions.

#### **Measuring the Performance of the Underlying**

***Measuring the "level" (in respect of an index, a basket of indices, a fund interest or a basket of fund interests), "price" (in respect of a share) or "value" (in respect of a basket of shares) of an Underlying***

The calculations which are required to be made to calculate the amounts payable in relation to each type of Note will be based on the level, price or value (as applicable) of the relevant Underlying at certain specified times.

Such level, price or value (as applicable) will be determined by reference either to a single date (known as the "**Valuation Date**") or several dates (known as "**Averaging Dates**"), or by reference to the lowest/highest level, price or value (as applicable) during a particular period, (this is referred to as the "**Best Strike**"), or in such other manner as set out in the applicable Pricing Supplement. The level, price or value may be determined as follows:

- if Averaging Dates are specified, the level, price or value (as applicable) will be the arithmetic mean of the levels or prices on the relevant Averaging Dates;
- if "**Best Strike**" is specified as applicable, the level, price or value (as applicable) will be the lowest (in respect of an initial measurement of the underlying) or highest (in respect of any other measurement) level, price or value (as applicable) during a period from a specified "start date" until a specified "end date"; or
- the level, price or value (as applicable) will be determined as of the single date or dates specified as being the Valuation Date(s) in the applicable Pricing Supplement.

Subject to the below, where the Underlying is a basket of shares, a basket of indices or a basket of fund interests, the performance of such basket will be calculated by reference to the weighted average of the level of each index or fund or the price of each share (as applicable) comprising the basket (as calculated in accordance with the above).

Where the applicable Pricing Supplement specifies that the "Best of" feature is applicable, the calculation of the performance of a basket will be determined by reference to the index, share or fund interest that has shown the best performance (i.e. the greatest increase or smallest decrease in level or price from its initial level or price) in comparison to the other indices, shares or fund interests comprising the basket over a specified period of time only. Conversely, where the applicable Pricing Supplement specifies that the "Worst of" feature is applicable, the calculation of the performance of a basket will be determined by reference to the index, share or fund interest that has shown the worst performance (i.e. the smallest increase or greatest decrease in level or price from its initial level or price) in comparison to the other indices, shares or fund interests comprising the basket over a specified period of time only.

***Measuring the "level" (in respect of an inflation index) of an Underlying in relation to Inflation Linked Notes***

The calculations which are required to be made to calculate the amounts payable in relation to each type of Inflation Linked Note will be based on the level, price or value (as applicable) of the relevant Underlying(s) at certain specified times.

Unless otherwise specified in the Pricing Supplement, such level will be determined by reference to a single date (known as the "**Valuation Date**").

### **Credit Linkage**

In addition to the return on the Notes having the payout features discussed above, the Notes, or a portion of the Notes, may be linked to the credit of one or more entities referred to as a "**Reference Entity**", being a specified financial institution, corporation and/or any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof (such Notes being "**Credit Linked Notes**" and such portion being the "**Credit Linked Portion**"). Credit Linked Notes may be linked to one or more Reference Entities and in circumstances where more than one Reference Entity is named in connection with the Notes, a specified portion (the "**Relevant Portion**") of the Note is linked to each Reference Entity.

Reference Entities may be listed or unlisted. When selecting a Reference Entity, the Issuer will consider various factors, including the financial sophistication of the target market and the availability of information regarding such Reference Entity. For the avoidance of doubt, the Issuer does not intend to make a public offer of Credit Linked Notes in circumstances where such Credit Linked Notes reference one or more unlisted Reference Entities.

In this way Credit Linked Notes (whether incorporating Simplified Credit Linkage or International Swaps and Derivatives Association, Inc. ("**ISDA**") Credit Linkage) are linked to the performance of the Underlying in the same way as other Notes that may be issued but, in addition, the risk to the return of the investors initial investment in the Credit Linked Notes (or the Credit Linked Portion, as applicable) is also dependent on the credit of the applicable Reference Entity(ies).

Where Credit Linked Notes specify that there is only one Reference Entity, the Relevant Portion will be 100% of the Credit Linked Note or Credit Linked Portion of the Note (as applicable) and the risk to the return of the investor's entire investment in the Credit Linked Notes (or the Credit Linked Portion, as applicable) will be dependent on whether or not a Credit Event (in respect of a Credit Linked Note with Simplified Credit Linkage) or a CDS Event (in respect of a Credit Linked Note with ISDA Credit Linkage) has occurred in relation to the single named Reference Entity.

If there is more than one Reference Entity, the Note (or the Credit Linked Portion, as applicable) will be split between the total number of Reference Entities in the proportions specified in the applicable Pricing Supplement. For example, if there are five Reference Entities, the Relevant Portion for each Reference Entity may be specified as 20% and accordingly, if a Credit Event (in respect of a Credit Linked Note with Simplified Credit Linkage) or a CDS Event (in respect of a Credit Linked Note with ISDA Credit Linkage) occurs in relation to one of the Reference Entities, a 20% portion of the investor's initial investment (or of the investor's initial investment in the Credit Linked Portion) will be at risk.

Further, if the Parallel Credit Linkage Provisions are specified in the applicable Pricing Supplement as being applicable to Notes, in addition to being linked to the credit of the Reference Entity/Entities as described above, 100% of the Notes will also linked to the credit of a parallel credit reference entity (the "**Parallel Credit Reference Entity**"). In this way, the risk to the return of the entirety of the investor's initial investment in the Credit Linked Notes is dependent on the credit of the Parallel Credit Reference Entity.

### ***Simplified Credit Linkage***

Where Simplified Credit Linkage is applicable, if a Reference Entity becomes insolvent, defaults on its payment obligations or is the subject of governmental intervention (expected to apply primarily to financial institutions) or a restructuring of its debt obligations (a "**Credit Event**"), then the portion (the "**Relevant Portion**") of the Note linked to such Reference Entity may be reduced by multiplying the fair and reasonable value of the Relevant Portion of the Note (taking into account movements in the performance of the Underlying, volatility, interest rates, time to expiry and hedging costs but disregarding the effect of

the Credit Event in respect of such Reference Entity on the initial investment) (the "**Value**") by the "**Recovery Rate**".

The Recovery Rate is either:

- (i) if "**General Recovery Rate**" is specified in the applicable Pricing Supplement, a rate or percentage determined by reference to an auction process coordinated by ISDA in respect of certain obligations of the relevant Reference Entity/Entities (as further described below) or, in certain circumstances, including if such an auction is not held, a market price as determined by the Calculation Agent. If the Recovery Rate is less than 100 per cent., an investor may get back less than their initial investment in respect of the Relevant Portion; or
- (ii) if "**Zero Recovery Rate**" is specified in the applicable Pricing Supplement, zero.

If a "General Recovery Rate" is specified and such Recovery Rate in respect of a Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the Relevant Portion.

If a "Zero Recovery Rate" is specified in respect of a Reference Entity, an investor will receive zero in relation to the Relevant Portion.

In some circumstances it may not be possible to determine the Recovery Rate (and hence the amount payable in respect of the Relevant Portion relating to the relevant Reference Entity/Entities) by the Maturity Date of the Notes. In such circumstances, the Maturity Date may be postponed by up to 60 calendar days plus five business days.

#### ***ISDA Credit Linkage***

Where ISDA Credit Linkage is specified as being applicable, if a Reference Entity or a Parallel Credit Reference Entity is subject to a CDS event (broadly speaking, becomes insolvent, fails to pay amounts due on obligations or is subject to a restructuring of debt obligations in a manner that is detrimental to creditors) (a "**CDS Event**") then the return on the Relevant Portion of the Note (or, if a CDS Event has occurred in respect of a Parallel Credit Reference Entity, the whole Note) may be reduced:

- (a) If "Option A" is specified as applicable in relation to the "CDS Event Redemption Amount" in the applicable Pricing Supplement, by multiplying the fair and reasonable value of the Relevant Portion of the Note (or the whole Note, as relevant) (taking into account movements in the performance of the Underlying, volatility, interest rates, time to expiry and hedging costs but disregarding the effect of the CDS Event in respect of such Reference Entity on the initial investment) by the "**Recovery Rate**"; or
- (b) If "Option B" is specified as applicable in relation to the "CDS Event Redemption Amount" in the applicable Pricing Supplement, by multiplying the outstanding notional amount of the Relevant Portion of the Note (or the whole Note, as relevant) by the "**Recovery Rate**", and adding/subtracting (as applicable) any hedging costs.

The Recovery Rate is either:

- (i) if "**General Recovery Rate**" is specified in the applicable Pricing Supplement, a rate or percentage determined in accordance with the "Auction Process" as described below (or, if an auction is not held, the General Recovery Rate will be determined with reference to the "Final Price" of the obligations of the Reference Entity with the lowest market value. The Final Price will be determined by obtaining quotations from dealers in the relevant obligation and using the highest quotation obtained. In the event that less than two quotations are available, the Final Price will be the value of any dealer quotation received in respect of the relevant obligation);
- (ii) if "**Specific Recovery Rate**" is specified in the applicable Pricing Supplement, a rate or percentage that represents the market value of a specified debt obligation (as specified in the Pricing Supplement) of the Reference Entity as determined by the Calculation Agent; or
- (iii) if "**Zero Recovery Rate**" is specified in the applicable Pricing Supplement, zero.

If either a "General" or "Specific" Recovery Rate is specified and such Recovery Rate in respect of a Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the Relevant Portion. If either a "General" or "Specific" Recovery Rate is specified and such Recovery Rate in respect of the Parallel Credit Reference Entity is less than 100 per cent., an investor may get back less than their initial investment in relation to the entire Note.

If a "Zero Recovery Rate" is specified in respect of a Reference Entity, an investor will receive zero in relation to the Relevant Portion. If a "Zero Recovery Rate" is specified in respect of a Parallel Credit Reference Entity, an investor will receive zero in relation to the entire Note.

Following a CDS Event in relation to a Reference Entity or the Parallel Credit Reference Entity, the redemption date of the Relevant Portion of the Note (or the whole Note, as applicable) will also potentially change so that it falls on a date that a seller of credit protection in respect of the Reference Entity or the Parallel Credit Reference Entity under a market standard document would be obliged to settle their obligations.

In some circumstances it may not be possible to determine the Recovery Rate (and hence the amount payable in respect of the Relevant Portion relating to the relevant Reference Entity/Entities) by the Maturity Date of the Notes. In such circumstances, the Maturity Date may be postponed until such Recovery Rate can be determined.

### **Auction Process**

General Recovery Rate is determined by reference to an auction coordinated by ISDA in respect of certain obligations of the relevant Reference Entity or Parallel Credit Reference Entity, or, in certain circumstances, including if such an auction is not held, a market price as determined by the Calculation Agent. If the Recovery Rate is less than 100 per cent., an investor may get back less than their initial investment in respect of the Relevant Portion (or the whole Note, as relevant).

The level of seniority of the obligations of a Reference Entity used to determine the General Recovery Rate will be specified in the applicable Pricing Supplement. Where, following the Issue Date, circumstances arise that in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Pricing Supplement, the Calculation Agent will select a replacement level of seniority which the Calculation Agent, acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority.

In the case of a "Restructuring" credit event, a relevant committee established by ISDA for the purposes of reaching certain resolutions in connection with credit derivatives transactions (the "**Credit Derivatives Determinations Committee**") may decide that more than one auction will be held, with each auction being based on obligations of the Reference Entity or the Parallel Credit Reference Entity having specific maturity limitations. If this concept is applicable, broadly speaking, each auction will be based on a "bucket" of obligations of the Reference Entity or the Parallel Credit Reference Entity having a limited maturity date, for example, falling between 2.5 years to 5 years, 5 years to 7.5 years, etc. following the date of the relevant restructuring. The relevant Auction Final Price for a particular market standard credit derivative will be the price generated by the auction for the relevant bucket having a maturity limitation range that relates to the termination date of the relevant credit derivative. This multiple auction approach will only apply if a market credit derivative referencing the particular Reference Entity or Parallel Credit Reference Entity would specify that this approach applies.

## GENERAL CONDITIONS OF THE NOTES

*The following are the general conditions of the Notes (the "**Conditions**"), which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto these Conditions.*

*In addition to these Conditions, certain terms and redemption provisions relating (as applicable) to Equity Linked Notes (as set out in Part B of this Offering Memorandum), Index Linked Notes (as set out in Part B of this Offering Memorandum), Fund Linked Notes (as set out in Part B of this Offering Memorandum), Multi Underlying Linked Notes (as set out in Part B of this Offering Memorandum) or Inflation Linked Notes (as set out in Part C of this Offering Memorandum) (the "**Terms**") will apply to the Notes if so specified in the relevant Pricing Supplement, and as modified, replaced or supplemented in such relevant Pricing Supplement.*

*Further, in addition to the Conditions and any Terms applicable to the Notes, certain further additional terms relating to the Secured Notes (as set out in Part D of this Offering Memorandum) and/or Credit Linked Notes (as set out in Part E of this Offering Memorandum) (the "**Additional Terms**") will apply to the Notes if so specified in the relevant Pricing Supplement, and in respect of the Additional Terms in respect of Credit Linked Notes, as modified, replaced or supplemented in such relevant Pricing Supplement.*

*The relevant Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Registered Note and Definitive Registered Note. The Pricing Supplement will specify which of the Conditions, Terms and Additional Terms are to apply in relation to the relevant Notes, and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following terms and conditions, replace or modify the following terms and conditions for the purpose of such Tranche.*

This Note is one of a Series (as defined below) of Notes issued by Investec Bank plc (the "**Issuer**") constituted by a principal trust deed most recently amended and restated on or about 30 March 2020 (such principal trust deed as further modified and/or supplemented and/or restated from time to time, the "**Principal Trust Deed**") made between the Issuer and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include any successor as Trustee and any other person or persons from time to time acting as Trustee under the Principal Trust Deed), as supplemented in relation to any Series of Secured Notes by a supplemental trust deed relating to the Collateral Pool (as defined below) securing such Series of Notes (such supplemental trust deed, as amended and/or supplemented and/or restated from time to time, the "**Supplemental Trust Deed**") and made between the Issuer, the Custodian (as defined below) and the Trustee.

References herein to the "**Trust Deed**" shall mean, in relation to any Series of Notes:

- (i) if such Series is a Series of Unsecured Notes, the Principal Trust Deed; and
- (ii) if such Series is a Series of Secured Notes, the Principal Trust Deed together with the Supplemental Trust Deed relating to such Series.

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form;
- (iv) any definitive Notes in certificated registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form); and

- (v) in relation to any uncertificated registered notes ("**Uncertificated Registered Notes**"), units of each Specified Denomination in the Specified Currency.

For the avoidance of doubt, references herein to "Registered Notes" do not include Uncertificated Registered Notes.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement most recently amended and restated on or about 18 July 2019 (such agency agreement, as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, the Trustee and Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor agent) and the other paying agent named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), Deutsche Bank Luxembourg S.A. as registrar in relation to Registered Notes (the "**Registrar**", which expression shall include any additional or successor registrar) and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents), Deutsche Bank AG, London Branch as custodian (the "**Custodian**", which expression shall include any additional or successor custodian) with respect to Secured Notes and Deutsche Bank AG, London Branch as verification agent (the "**Verification Agent**", which expression shall include any additional or successor verification agent) with respect to Secured Notes. The Issuer will also appoint Investec Bank plc as calculation agent (the "**Calculation Agent**", which expression shall include any successor calculation agents) to carry out any necessary calculations or valuations in respect of the Notes (unless specified otherwise). In addition, the Issuer has entered into an agency agreement with Computershare Investor Services plc and the Trustee most recently amended and restated on or about 4 March 2016 (such agency agreement, as amended and/or supplemented and/or restated from time to time, the "**Computershare Agency Agreement**") appointing the former as registrar and paying agent (the "**CREST Registrar**", which expression shall include any additional or successor registrar) with respect to Uncertificated Registered Notes.

Interest-bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes, Uncertificated Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is set out in Part A of the Pricing Supplement attached to or endorsed on this Note which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the "**applicable Pricing Supplement**" are to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Principal Trust Deed, the Computershare Agency Agreement and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee, being at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the Principal Paying Agent, the Registrar, the CREST Registrar and any other Paying Agents and Transfer Agents (such Principal Paying Agent, the Registrar, the CREST Registrar, any other



Paying Agents and Transfer Agents being together referred to as the "**Agents**"). Copies of the applicable Pricing Supplement are available for viewing at, and copies may be obtained from, Investec Bank plc, 30 Gresham Street, London EC2V 7QP, or from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, are bound by and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Pricing Supplement which are applicable to them, and are deemed to have notice of all the provisions of the Agency Agreement and the Computershare Agency Agreement. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed, the Agency Agreement, the Computershare Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed, the Agency Agreement and the Computershare Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed, Agency Agreement or the Computershare Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. **FORM, DENOMINATION AND TITLE**

(a) **Form**

The Notes are in bearer form, registered form or uncertificated registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s).

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Equity Linked Note, an Index Linked Note, a Fund Linked Note, a Multi Underlying Linked Note or an Inflation Linked Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Instalment Note, an Equity Linked Note, an Index Linked Note, a Fund Linked Note, a Multi Underlying Linked Note, an Inflation Linked Note or a combination of any of the foregoing, depending upon the Redemption/ Payment Basis shown in the applicable Pricing Supplement.

This Note may be an Unsecured Note or a Secured Note, depending on the Security Status shown in the applicable Pricing Supplement.

(b) **Denomination**

The aggregate principal amount and denomination of the Notes will be specified in the applicable Pricing Supplement.

Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes or Uncertificated Registered Notes and *vice versa*.

(c) **Title**

(i) ***Bearer Notes and Registered Notes***

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, any Agent and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the

case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

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

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

(ii) ***Uncertificated Registered Notes***

The Uncertificated Registered Notes shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Regulations**"). The Uncertificated Registered Notes are participating securities for the purposes of the Regulations. Title to the Uncertificated Registered Notes is recorded on the relevant Operator register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertified corporate securities (the "**Record**") in relation to the Uncertificated Registered Notes and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Uncertificated Registered Notes**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

Title to Uncertificated Registered Notes will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Notes (including transfers of Uncertificated Registered Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provisions of these Conditions as amended in accordance with the applicable Pricing Supplement shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Pricing Supplement, so long as the Uncertificated Registered Notes are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (C) for the avoidance of doubt, the Conditions and the applicable Pricing Supplement in relation to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Regulations and the relevant Operator (as such term is used in the Regulations) is CRESTCo. Limited or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the Regulations. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 13 (*Notices*).

Except in the limited circumstances provided in the Trust Deed, Notes in definitive registered form will not be issued, either initially or in exchange for an Uncertificated Registered Note.

## 2. **TRANSFERS OF REGISTERED NOTES**

### (a) **Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

### (b) **Transfers of Registered Notes in definitive form**

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 6 (*Register and Transfer of Registered Notes*) to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request

(or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) **Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(d) **Exchanges and transfers of Registered Notes generally**

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

3. **STATUS OF THE NOTES**

The Notes and the relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of the Additional Terms of the Secured Notes) unsecured obligations of the Issuer that rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) at least equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. **INTEREST**

(a) **Interest on Fixed Rate Notes**

(i) ***Interest Periods and Interest Payment Dates***

Unless otherwise specified in the applicable Pricing Supplement, each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount.

In respect of Notes in definitive form, if a Fixed Coupon Amount is provided in the applicable Pricing Supplement the amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will be the Fixed Coupon Amount specified as an amount per Calculation Amount in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, in these Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date. Except in the case of Notes in definitive form where Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement and subject to sub-paragraph (ii) below, the "**Interest Amount**" payable shall be calculated in respect of any Interest Period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the aggregate outstanding nominal amount of the Notes; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction (if specified), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination (or, in respect of Instalment Notes, the Specified Denomination as reduced in proportion with any reduction of the outstanding nominal amount pursuant to Condition 6(a)(ii) (*Redemption by Instalments*) without any further rounding.

(ii) ***Instalment Notes***

In respect of Fixed Rate Notes that are also Instalment Notes, in the event that an Instalment Date (or, if later, the Relevant Date in respect of an Instalment Amount) falls on a date other than an Interest Payment Date, then the "**Interest Amount**" payable in respect of the Interest Period in which such Instalment Date (or, if later, the Relevant Date in respect of such Instalment Amount) falls shall be calculated as follows:

- (a) in respect of the period from (and including) the Interest Payment Date (or Interest Commencement Date) immediately preceding the first Instalment Date (or, if later, Relevant Date in respect of the relevant Instalment Amount) falling in the Interest Period (the "**First Instalment Date**") to (but excluding) the First Instalment Date, interest shall be calculated in accordance with the provisions of this Condition 4(a) on the basis of the outstanding nominal amount as of the Business Day preceding the relevant First Instalment Date; and
- (b) in respect of any period from (and including) an Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) (the "**Initial Instalment Date**") to (but excluding) the earlier of (i) the Interest Payment Date following the Initial Instalment Date or (ii) a further Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) falling in the same Interest Period, interest shall be calculated in accordance with the provisions of this Condition 4(a) on the basis of the outstanding nominal amount as adjusted following the Initial Instalment Date.

For the avoidance of doubt, the total aggregate interest payable in respect of the Interest Period shall be payable on the relevant Interest Payment Date, and no amount of interest shall be payable on the Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount).

In these Conditions:

"**Day Count Fraction**" has the meaning given to it in Condition 4(b) (*Interest on Floating Rate Notes*).

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) **Interest on Floating Rate Notes**

(i) ***Interest Payment Dates***

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls on the number of months or other period specified as the Specified Period in the applicable Pricing

Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each "**Interest Period**" (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Floating Rate Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Floating Rate Note interest will be calculated on its outstanding nominal amount.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day of the month falling one Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions,

**"Business Day"** means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Pricing Supplement; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day.

**"Determination Period"** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date

or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

(ii) ***Rate of Interest***

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

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

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

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

Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed zero.

In the event that the Floating Rate Option cannot be determined in accordance with the provisions of the relevant notional interest rate transaction (or the fallbacks thereunder), or an Administrator/Benchmark Event has occurred in relation to the such Floating Rate Option, the Floating Rate Option shall be determined in accordance with clause 8.2(c) (*Fallbacks*) of the Agency Agreement.

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

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or

- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. The Interest Determination Date in respect of an Interest Period may be the second London business day prior to the start of each Interest Period, the first day of each Interest Period, the second day on which the TARGET2 system is open prior to the start of each Interest Period or any other date specified in the applicable Pricing Supplement. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations pursuant to sub-paragraph (2).

In the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, or an Administrator/Benchmark Event has occurred in relation to such Reference Rate, the Reference Rate shall be determined in accordance with clause 8.2(c) (*Fallbacks*) of the Agency Agreement.

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

**"Administrator/Benchmark Event"** means in respect of any Series of Notes and a Relevant Benchmark, that that one of the following events has occurred or will occur, as determined by the Calculation Agent, in respect of such Relevant Benchmark:

- (a) a **"Non-Approval Event"**, being any of the following:
- (i) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not obtained;
  - (ii) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not included in an official register; or
  - (iii) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark does not fulfil any legal or regulatory requirement applicable to the Issuer or the Relevant Benchmark,

in each case, as required under any applicable law or regulation in order for the Issuer, the Calculation Agent or any other entity to perform its or their respective obligations in respect of the Notes. For the avoidance of doubt, a Non-Approval Event shall not occur if the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended if, at the time of such suspension, the continued provision and use of the Relevant Benchmark is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension;

- (b) a **"Rejection Event"**, being the relevant competent authority or other relevant official body rejects or refuses any application for authorisation, registration,



recognition, endorsement, an equivalence decision, approval or inclusion in any official register which, in each case, is required in relation to the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark under any applicable law or regulation for the Issuer, the Calculation Agent or any other entity to perform its or their respective obligations in respect of the Notes; or

- (c) a "**Suspension/Withdrawal Event**", being:
- (i) the relevant competent authority or other relevant official body suspends or withdraws any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark which is required under any applicable law or regulation in order for the Issuer, the Calculation Agent or any other entity to perform its or their respective obligations in respect of the Notes; or
  - (ii) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is removed from any official register where inclusion in such register is required under any applicable law in order the Issuer, the Calculation Agent or any other entity to perform its or their respective obligations in respect of the Notes.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or where inclusion in any official register is withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Relevant Benchmark is permitted in respect of the Notes under the applicable law or regulation during the period of such suspension or withdrawal;

- (d) in respect of a Relevant Benchmark which is a Reference Rate or a Floating Rate Option a "**Index Cessation Event**", being:
- (i) the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution, receivership, administration or winding-up of the administrator of the Relevant Benchmark, or the institution of proceedings relating to or analogous to any of the foregoing (as determined by the Calculation Agent) in relation to the administrator, **provided that**, at that time, there is no successor administrator that will continue to provide the Relevant Benchmark;
  - (ii) the administrator of the Relevant Benchmark has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, **provided that**, at that time, there is no successor administrator that will continue to provide the Relevant Benchmark;
  - (iii) the administrator of the Relevant Benchmark announcing that the Relevant Benchmark has been or will be permanently or indefinitely discontinued; or
  - (iv) the supervisor of the administrator of the Relevant Benchmark or the administrator of the Relevant Benchmark announcing that the Relevant Benchmark may no longer be used; and

"**Relevant Benchmark**" means, in relation to any Series of Notes:

- (a) each Reference Rate or Floating Rate Option specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Reference Rate or Floating Rate Option);

- (b) each Index specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Index);
- (c) each Inflation Index specified in the relevant Pricing Supplement as being applicable to such Notes (or, if applicable, the index, benchmark or other price source that is referred to in such Inflation Index).

(iii) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) ***Linear Interpolation***

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Relevant Screen Page, one of which shall be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; **provided, however, that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(v) ***Determination of Rate of Interest and calculation of Interest Amounts***

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

Subject to sub-paragraph (vi) below, the Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note the aggregate outstanding nominal amount of the Notes; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction (if specified), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination (or, in respect of Instalment Notes, the Specified Denomination as reduced in proportion with any reduction of the outstanding nominal amount pursuant to Condition

6(a)(ii) (*Redemption by Instalments*)) of the Floating Rate Notes without any further rounding.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b) or Condition 4(a) (*Interest on Fixed Rate Notes*):

- (i) if **"Actual/Actual (ICMA)"** is specified in the applicable Pricing Supplement:
- (1) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **"Accrual Period"**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
  - (2) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.
- (ii) if **"Actual/Actual – ISDA"** or **"Actual/Actual"** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (iii) if **"Actual/365 (Fixed)"** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iv) if **"Actual/365 (Sterling)"** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if **"Actual/360"** is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (vi) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

Day Count Fraction =

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

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

Day Count Fraction =

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (viii) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30; and

- (ix) if "**Act/365L**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if the later Period End Date of the Interest Period falls in a leap year, divided by 366).

(vi) ***Instalment Notes***

In respect of Floating Rate Notes that are also Instalment Notes, in the event that an Instalment Date (or, if later, the Relevant Date in respect of an Instalment Amount) falls on a date other than an Interest Payment Date, the Interest Amount payable in respect of the Interest Period in which such Instalment Date (or, if later, the Relevant Date in respect of such Instalment Amount) falls shall be calculated on the following basis:

- (A) in respect of the period from (and including) the Interest Payment Date (or Interest Commencement Date) immediately preceding the first Instalment Date (or, if later, Relevant Date in respect of the relevant Instalment Amount) falling in the Interest Period (the "**First Instalment Date**") to (but excluding) the First Instalment Date interest shall be calculated in accordance with the provisions of this Condition 4(b) on the basis of the outstanding nominal amount as of the Business Day preceding the relevant First Instalment Date; and
- (B) in respect of any period from (and including) an Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) (the "**Initial Instalment Date**") to (but excluding) the earlier of (i) the Interest Payment Date following the Initial Instalment Date or (ii) a further Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) falling in the same Interest Period, interest shall be calculated in accordance with the provisions of this Condition 4(b) on the basis of the outstanding nominal amount as adjusted following the Initial Instalment Date.

(vii) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent or, if applicable, the Trustee, shall (in the absence of wilful default, fraud, bad faith and manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, fraud and bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, or the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) **Underlying Linked Interest**

If the applicable Pricing Supplement specifies that all or part of the interest in relation to the Notes will be calculated on an "Inflation Linked Interest", "Fund Linked Interest", "Equity Linked

Interest" or "Index Linked Interest" basis, then the Calculation Agent shall calculate the amount of equity linked, index linked, fund linked or inflation linked interest payable on the relevant Notes in accordance with the additional terms that apply to such Notes as set out in the relevant section of Part B (*Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes*) or Part C (*Inflation Linked Notes*), as applicable.

(d) **Zero Coupon Notes**

Where a Zero Coupon Note is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the applicable Pricing Supplement (or if none is specified, such rate as would produce the issue price of the Notes if the scheduled Final Redemption Amount was discounted back to the Issue Date at such rate).

(e) **Cessation of accrual of interest**

Each Note (or in the case of redemption of only a Relevant Portion of a Note, that Relevant Portion only of such Note) will cease to bear interest (if any) from the date for its redemption, unless, upon due presentation thereof, payment of principal (and accrued interest in respect thereof) is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

(f) **Notification of Rate of Interest and Interest Amounts**

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified promptly to the Issuer, the Trustee and any stock exchange on which the relevant Notes are for the time being listed (and in any event no later than the first day of the relevant Interest Period) and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). For the purposes of this paragraph (f), the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) **Calculations**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the applicable Pricing Supplement, and the Day Count Fraction for such Interest Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that, where a Day Count Fraction is specified, the Day Count Fraction shall be for the period for which interest is required to be calculated and where no Day Count Fraction is specified, and/or an Interest Amount is specified, the Calculation Agent shall determine the interest for such period using such methodology as the Calculation Agent considers appropriate.

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

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount,

obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to the applicable Business Day Convention, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 4(h) but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Determination or Calculation by Trustee**

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, or as otherwise specified in the applicable Pricing Supplement, as the case may be, the Trustee shall do so (or shall appoint an agent at the expense of the Issuer on its behalf to do so), in its absolute discretion, and shall be entitled to do so in reliance of its professional advisors, and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee or its agent shall apply the foregoing provisions of this Condition 4(i), but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. Any such determination or calculation shall be deemed to have been made by the Calculation Agent.

(j) **Coupon Deferral**

If the Pricing Supplement specifies "Coupon Deferral" as applicable, and the Calculation Agent determines that a Coupon Deferral Event has occurred and is continuing, the Issuer may by giving notice to the Calculation Agent at least 15 Business Days before each Interest Payment Date defer or reduce the interest payments due under the Notes to the same extent of the deferral, reduction or increase in the interest payments on the Coupon Reference Obligation, for so long as such Coupon Deferral Event is continuing. If the Coupon Deferral Event ceases and the deferred and/or reduced interest payments on the Coupon Reference Obligation are paid by the relevant obligor, the Issuer shall pay the deferred interest payments to the same extent on the next following Interest Payment Date.

For the purposes of this Condition 4(j):

"**Coupon Deferral Event**" means in relation to the Coupon Reference Obligation, the suspension, deferral, cessation of interest payment, any increase in interest payments, or adjustment in the frequency of interest payments under the Coupon Reference Obligation, in accordance with the terms that apply to interest payments under Coupon Reference Obligation as at the Issue Date of the Notes.

**"Coupon Reference Obligation"** means the obligation described as such in the applicable Pricing Supplement.

For the avoidance of doubt, the right of the Issuer to defer interest payments in accordance with this Condition 4(j), and the Issuer's decision on whether or not to defer interest payments under this Condition 4(j), shall be without prejudice to any other rights the Issuer may have in relation to the Notes as a result of the occurrence of the applicable Coupon Deferral Event or otherwise.

5. **PAYMENTS**

(a) **Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*).

(b) **Presentation of definitive Bearer Notes, Receipts and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would



otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Long Maturity Note or any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) **Payments in respect of Global Notes in bearer form**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

(d) **Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if a holder does not have a Designated Account, payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three

business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition 5(d) arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

Neither the Issuer nor any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) **Payments in respect of Uncertificated Registered Notes**

The Issuer shall pay or cause to be paid payments of principal in respect of Uncertificated Registered Notes to the relevant Noteholder's cash memorandum account (as shown in the records of the Operator) for value on the Maturity Date or Automatic Early Redemption Date, as the case may be, such payment to be made in accordance with the rules of the Operator.

Payments of interest (if any) in respect of Uncertificated Registered Notes will be discharged by payment (as shown in the records of the Operator) to the cash memorandum account of the relevant Noteholder. Each of the persons shown in the Operator register of corporate securities as the holder of a particular principal amount of Uncertificated Registered Notes must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(f) **General provisions applicable to payments in respect of Notes held in Euroclear and/or Clearstream, Luxembourg**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer, or to the order of, the holder of such Global Note.

(g) **U.S. Paying Agent**

Notwithstanding the foregoing provisions of this Condition 5(g), if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other

similar restrictions on the full payment or receipt of principal and interest in U.S. dollars;  
and

- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(h) **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 8 (*Prescription*)) is:

- (i) in relation to all Notes,
  - (A) (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) and (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 4 (*Interest*) above), and
  - (B) each Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) in the case of Notes in definitive form only, unless otherwise specified in the applicable Pricing Supplement, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation.

(i) **Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (ii) the Final Redemption Amount of the Notes;
- (iii) in relation to Notes redeemable in instalments, the Instalment Amounts; and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) and any arrears of interest (if applicable).

In respect of the calculation of the Final Redemption Amount in relation to any Relevant Portion of the Notes, in rounding any values determined or calculated in connection therewith the Calculation Agent shall apply the following rounding conventions: (A) so long as the Notes are in the form of Uncertificated Registered Notes and are held in CREST, the Final Redemption Amount shall be calculated in relation to the aggregate principal amount of the Notes outstanding, rounded down to the nearest currency unit and paid to Euroclear UK and Ireland Limited (formerly known as CRESTCo Limited) for distribution by it to entitled accountholders in accordance with Euroclear UK and Ireland Limited's usual rules and procedures; (B)(i) so long as the Notes are represented by a Global Note in bearer form, the Final Redemption Amount shall be calculated in relation to the aggregate principal amount of the Notes outstanding, rounded down to the nearest

currency unit and paid in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent in accordance with Condition 5(c) (*Payments – Payments in respect of Global Notes in bearer form*); (ii) if a Global Note is at any time exchanged for definitive Bearer Notes, the Final Redemption Amount will be calculated in relation to each Specified Denomination and rounded to the nearest currency unit and paid against presentation and surrender in accordance with Condition 5(b) (*Payments – Presentation of definitive Bearer Notes, Receipts and Coupons*); and (C) in respect of Notes that are Registered Notes, the Final Redemption Amount shall be calculated in relation to the aggregate principal amount of the Notes outstanding rounded down to the nearest currency unit and paid in the manner specified in the Registered Note against presentation and surrender of such Registered Note at the specified office of the Registrar or any Paying Agent in accordance with Condition 5(d) (*Payments – Payments in respect of Registered Notes*).

6. **REDEMPTION, PURCHASE AND OPTIONS**

(a) **Final Redemption and Redemption by Instalments**

(i) ***Final Redemption***

Subject to any applicable Terms or Additional Terms, unless previously redeemed or purchased and cancelled as provided below, each Note (including each Note specified in the applicable Pricing Supplement as having a Redemption Basis that is Equity Linked Notes, Index Linked Notes, Fund Linked Notes, Multi Underlying Linked Notes or Inflation Linked Notes) shall be finally redeemed on the Maturity Date specified in the applicable Pricing Supplement at its Final Redemption Amount or, in the case of a Note falling within paragraph (ii) (*Redemption by Instalments*) below, its final Instalment Amount, in each case, as calculated by the Calculation Agent in its sole and absolute discretion.

**"Final Redemption Amount"** means in relation to any Note finally redeemed on the Maturity Date an amount calculated by the Calculation Agent in its sole and absolute discretion in accordance with the applicable provisions specified in the applicable Pricing Supplement, **provided that**, if the applicable Pricing Supplement do not specify the applicable provisions any such Note shall be redeemed at its nominal value.

(ii) ***Redemption by Instalments***

Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Reduction (being an amount or a proportion of the original nominal amount of such Note specified in the Pricing Supplement) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(b) **Early Redemption**

The Early Redemption Amount payable in respect of any Note upon redemption of such Note pursuant to Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption following Hedging Event*), Condition 6(e) (*Redemption following Illegality*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be the Final Redemption Amount (as specified in the applicable Pricing Supplement) or the Fair Market Value in respect of each Note.

**"Fair Market Value"** means, in relation to any Note which is to be redeemed early, its fair market value as of the early redemption date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes (all as determined by the Calculation Agent).

(c) **Redemption for Taxation Reasons**

The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note and any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes) or only on an Interest Payment Date (in the case of a Floating Rate Note or any Note in relation to which the Interest Basis is anything other than Fixed Rate Notes) on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), at their Early Redemption Amount (as determined in accordance with paragraph (b) (*Early Redemption*) above) in respect of each Note, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) it has or will or would, but for redemption, become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in respect of any of the Notes of such Series;
- (ii) it would not be entitled to claim a deduction in respect of any payments of interest in respect of any of the Notes of such Series in computing its taxation liabilities (or the value of such deduction would be materially reduced); or
- (iii) in respect of the payment of interest in respect of any of the Notes of such Series, the Issuer would not to any material extent be entitled to have any attributable loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date on which agreement is reached to issue the first Tranche of Notes of such Series or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes of that Series and cannot be avoided by the Issuer taking reasonable steps available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts as referred to in paragraph (i) above, would be unable to make a deduction referred to in paragraph (ii) above were a payment in respect of the Notes of that Series then due or would not be entitled to have the loss or non trading deficit set against the profits as referred to in paragraph (iii) above were a payment in respect of the Notes of that Series then due. Upon the expiration of such notice the Issuer shall be bound to redeem such Notes at their Early Redemption Amount together with interest accrued to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant this Condition 6(c) the Issuer shall deliver to the Trustee a certificate signed by two Directors stating that the obligation or treatment, as the case may be, referred to above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) **Redemption following Hedging Event**

Unless this Condition 6(d) is specified as Not Applicable in the applicable Pricing Supplement, if in relation to a Series of Notes the Issuer or the Calculation Agent determines that a Hedging Event (as defined below) has occurred, and for as long as a Hedging Event is continuing, the Issuer, having given not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount (as determined in accordance with paragraph (b) (*Early Redemption*) above) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

**"Hedging Event"** means the occurrence of either of the following events or circumstances arising due to any reason (including but not limited to the adoption of, application of or change of any applicable law or regulation after the Issue Date of a Series of Notes):

- (i) it becomes impossible or impracticable for the Issuer or its counterparty of any hedging transaction to:
  - (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its obligations with respect to the relevant Notes (a "**Hedging Transaction**"); or
  - (B) realise, recover or remit the proceeds of any such Hedging Transaction; or
- (ii) the Issuer or the counterparty under such Hedging Transaction would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining any Hedging Transaction (including, but not limited to, any internal cost arising as a result of compliance with any applicable law or regulation),

in each case as determined by the Issuer or the Calculation Agent in its sole and absolute discretion.

(e) **Redemption following Illegality**

If, in relation to a Series of Notes, the Issuer in its sole and absolute discretion or the Calculation Agent determines that an Illegality Event (as defined below) has occurred, the Issuer, having given not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount (as determined in accordance with paragraph (b) (*Early Redemption*) above) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

"**Illegality Event**" means that:

- (i) the performance of the Issuer's obligations shall have become unlawful or impracticable, in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; or
- (ii) the Issuer would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining a Series of Notes in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power.

(f) **Redemption at the Option of the Issuer**

If Call Option is specified in the applicable Pricing Supplement, the Issuer may and unless otherwise specified in the applicable Pricing Supplement), on giving not less than 15 nor more than 30 days' irrevocable notice to the Trustee, the Principal Paying Agent, the Registrar (in the case of Registered Notes), the CREST Registrar (in the case of Uncertificated Registered Notes), the competent authority or stock exchange on which the Notes are listed, if any (if so required by such competent authority or stock exchange) and, in accordance with Condition 13 (*Notices*), the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount (which may be par or their Fair Market Value or another amount specified in the applicable Pricing Supplement) together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the applicable Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the applicable Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(f).

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be redeemed, which shall

have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(g) **Redemption at the Option of Noteholders**

If Put Option is specified in the applicable Pricing Supplement, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount (which may be par or their Fair Market Value or another amount specified in the applicable Pricing Supplement) together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent (in the case of Bearer Notes), with the Registrar or any Transfer Agent (in the case of Registered Notes) or with the CREST Registrar (in the case of any Uncertificated Registered Notes) at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent or the CREST Registrar (as applicable) within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(h) **Purchases**

The Issuer, or any of its subsidiaries, any holding company of the Issuer or any subsidiary of such holding company, may at any time purchase Notes (**provided that**, in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(i) **Cancellation**

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation by surrendering each such Note (together with all unmatured Receipts and Coupons and all unexchanged Talons) at the time of redemption to the Principal Paying Agent or to the Registrar (in the case of Registered Notes) or to the CREST Registrar (in the case of Uncertificated Registered Notes). In each case, any Notes so surrendered shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7. **TAXATION**

7A. **TAXATION – NO GROSS UP**

This Condition 7A will be applicable to all Series of Notes unless it is specified in the applicable Pricing Supplement that Condition 7B (*Taxation – Gross Up*) is applicable.

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties or government charges of whatever nature imposed, collected, withheld, assessed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer shall not be required to pay to holders of Notes, Receipts and/or Coupons any additional amounts in connection with such withholding or deduction.

7B. **TAXATION – GROSS UP**

This Condition 7B will only be applicable to such Series of Notes where it is specified in the applicable Pricing Supplement that Condition 7A (*Taxation – No Gross Up*) is not applicable.

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties or government charges of whatever nature imposed, collected, withheld, assessed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) to, or to a third party on behalf of, a holder who (i) could avoid such withholding or deduction by complying, or procuring that any third party complies with, any statutory or procedural requirements (including, without limitation, the provision of information) or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority; or (ii) is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(h) (*Payment Day*)) in the place of surrender.

In these Conditions:

"**Tax Jurisdiction**" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and

the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

Any reference in these Conditions to principal or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition 7(b) or any undertakings given in addition thereto or in substitution thereof pursuant to the Trust Deed.

#### 7C. **TAXATION – FATCA**

This Condition 7C will be applicable to all Series of Notes.

Notwithstanding any other provision in these Conditions, the Issuer, the Trustee and the Paying Agents shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Section 871(m) or U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US IRS ("**U.S. Permitted Withholding**"). None of the Issuer, the Trustee or the Paying Agents will have any obligation to pay additional amounts or otherwise indemnify a holder for any U.S. Permitted Withholding deducted or withheld by the Issuer, the Trustee or a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of U.S. Permitted Withholding.

#### 8. **PRESCRIPTION**

The Notes (whether in bearer, uncertificated registered or certificated registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.



There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 or Condition 5 (*Payments*) or any Talon which would be void pursuant to Condition 5 (*Payments*).

9. **EVENTS OF DEFAULT**

(a) **Events of Default**

If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one quarter in nominal amount of the Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders shall (subject in each case to being indemnified, secured and/or prefunded to its satisfaction), give notice to the Issuer (with a copy to the Custodian, in the case of any Secured Notes) that the Notes are, and they shall immediately become, due and payable at their Final Redemption Amount (determined in accordance with Condition 6(a) (*Final Redemption and Redemption by Instalments*)) together (if applicable) with accrued interest (if any) in respect of such Notes shall become enforceable:

- (i) if default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or premium or 14 days in the case of interest; or
- (ii) if an administrator is appointed in respect of the Issuer or any order is made or an effective resolution is passed for the winding up or dissolution of the Issuer and any resulting administration, winding up or dissolution process remains undismissed for 45 days (save for the purposes of reorganisation, reconstruction, amalgamation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders).

(b) **Enforcement**

- (i) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified, secured and/or prefunded to its satisfaction.
- (ii) No Noteholder shall be entitled to institute proceedings directly against the Issuer or prove in the winding up of the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing, in which event any Noteholder may himself institute such proceedings and/or prove in the winding up of the Issuer to the same extent and in the same jurisdiction (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes and/or the Trust Deed.

10. **REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts and Coupons) or the Registrar (in the case of Registered Notes) or the CREST Registrar (in the case of Uncertificated Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. **AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, **provided that:**

- (a) there will at all times be a Principal Paying Agent, a Paying Agent, a Transfer Agent and a Registrar and/or a CREST Registrar (as the case may be);
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes, Receipts and Coupons) or the Registrar (in the case of Registered Notes) or the CREST Registrar (in the case of Uncertificated Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and
- (d) so long as there are any Secured Notes which remain outstanding, there will be a Custodian and a Verification Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(g) (*U.S. Paying Agent*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 12. **EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

## 13. **NOTICES**

### (a) **Notices in respect of Bearer Notes and Registered Notes**

All notices regarding Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily national newspaper of general circulation in the United Kingdom and (ii) or as otherwise required by any stock exchange or any other competent authority by or on which the Bearer Notes are for the time being listed. It is expected that any such publication in a newspaper will, if required, be made in the *Financial Times* in London. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to be given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

(b) **Notices in respect of Uncertificated Registered Notes**

All notices regarding Uncertificated Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

14. **MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

(a) **Meeting of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including, but not limited to, modifying the date of maturity of the Notes or any date for payment of principal or interest thereon, reducing or cancelling the amount of principal or the Rate of Interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides for a resolution, with or without notice, in writing signed by or on behalf of the holder or holders of not less than 90 per cent. of the principal amount of the Notes for the time being outstanding to be as effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the Noteholders.

(b) **Modification and Waiver**

The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders:

- (i) concur with the Issuer in making any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Agency Agreement or the Trust Deed, **provided that** the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders; or
- (ii) determine that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do; or
- (iii) agree to any modification which is of a formal, minor or technical nature or to correct a manifest error.

The Trustee shall agree to any modification without the consent of Noteholders which is to correct any inconsistency arising in the applicable Pricing Supplement in respect of any Series of Notes as compared to any term sheet, brochure or other written communication in respect of the Notes that has been distributed to Noteholders in respect of that Series **provided that** (A) the Issuer provides to the Trustee a certificate signed by two authorised signatories of the Issuer certifying the details of such inconsistency and appending and certifying the relevant written communication distributed to Noteholders to which the Pricing Supplement are to be conformed; (B) in case of rated Notes, any credit rating agency that has rated such Notes provides confirmation that the credit ratings of such Notes would not be adversely affected by the proposed modification, and such confirmation is provided to the Trustee; and (C) the Trustee has the right to refuse to agree such changes in the event that, in its sole opinion, the change would expose it to more onerous obligations or additional costs for which, in its sole opinion, it is not or will not be pre-funded or indemnified or secured to its satisfaction.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

The Issuer may at any time request the Trustee to make modifications to any of the provisions of the Notes, the Agency Agreement or the Trust Deed and any other relevant documents without the consent of the Noteholders, Receiptholders or Couponholders (and irrespective of whether such modifications are (i) materially prejudicial to the interests of the Noteholders or (ii) in respect of a Basic Terms Modification (as defined in the Trust Deed)) to maintain and/or improve credit ratings of any Notes in issue. The Trustee shall agree to such changes **provided that** the Issuer confirms to the Trustee in writing that such amendments are required either (i) to implement new credit rating criteria of a credit rating agency; or (ii) by a credit rating agency itself, in either case, to maintain or improve the then current credit ratings of the Notes then outstanding.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition 14(b)) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company, being a subsidiary of the Issuer, subject to (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (b) compliance with certain other conditions set out in the Trust Deed.

15. **INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND TRUSTEE'S RETIREMENT AND REMOVAL**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified, secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its subsidiaries and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer and/or any of its subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed contains provisions allowing the Trustee to retire at any time on giving not less than 60 days' prior written notice to the Issuer without giving any reason and without being responsible for any Expenses (as defined in the Trust Deed) incurred by such retirement. The Noteholders may by Extraordinary Resolution remove any trustee or trustees of the Notes. The Trust Deed provides that the retirement or removal of any such Trustee shall not become effective until a successor trustee (being a trust corporation) is appointed. The Trust Deed provides that, in the event of the Trustee giving notice of retirement or being removed by Extraordinary Resolution under the Trust Deed, the Issuer shall use all reasonable endeavours to procure that a new trustee is appointed as soon as reasonably practicable. If no appointment has become effective within 60 days of such notice or Extraordinary Resolution, the Trust Deed provides that the Trustee shall be entitled to appoint a trust corporation. No appointment of a trustee shall take effect unless previously approved by an Extraordinary Resolution. Notice of any such change shall be given to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

16. **REDENOMINATION**

If "Redenomination on Euro Event" is specified in the applicable Pricing Supplement in relation to any Series of Notes as being as applicable to such Notes, then if a Euro Event occurs, the Issuer may, in its absolute discretion, by giving notice of its election to the Noteholders in accordance Condition 13 (*Notices*) (such notice being a "**Redenomination Notice**"), elect that the currency (if any) which replaces the euro as the lawful currency of the Relevant Jurisdiction (the "**Replacement Currency**") shall replace the euro as the Specified Currency for such Notes.

If the Issuer gives a Redenomination Notice, then to the extent that euro is or is expressed to be (or would be, or would be expressed to be, but for a Euro Event or any law or regulation relating to a Euro Event) the currency of payment for any sum due from the Issuer under the Notes and unpaid, the Replacement Currency shall become the currency of payment and any amount payable by the Issuer and unpaid which is or is expressed to be (or would be, or would be expressed to be, but for any Euro Event or any law or regulation relating to a Euro Event) otherwise payable in euro shall be converted into the Replacement Currency at the Redenomination Rate of Exchange.

In these Conditions:

"**Euro Event**" means either:

- (i) no member state of the European Union has the euro as its lawful currency; or
- (ii) the Relevant Jurisdiction ceases to have the euro as its lawful currency.

**"Redenomination Rate of Exchange"** means either:

- (i) if an official rate of exchange is recognised by the central bank of the Relevant Jurisdiction for the conversion of euro into the Replacement Currency (such time from time to time being the **"Official Rate"**) on the day which is two Business Days prior to the day on which the relevant payment is due to be made, such Official Rate; or
- (ii) if there is no Official Rate, the spot rate of exchange determined by the Issuer acting in a commercially reasonable manner on the day which is two Business Days prior to the day on which the relevant payment is due to be made;

**"Relevant Jurisdiction"** means the jurisdiction specified as such in the applicable Pricing Supplement.

17. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receipholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. **GOVERNING LAW**

Each of the Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons or any non-contractual obligations arising out of or in connection with them are governed by English law.

**PRO FORMA PRICING SUPPLEMENT**

[Date]

**Investec Bank plc**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**Legal Entity Identifier (LEI): [•]**

**under the  
£4,000,000,000 Impala Bonds Programme**

[The Offering Memorandum referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in the EEA or UK of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to the Prospectus Regulation or supplement a prospectus pursuant the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Regulation**" means Regulation (Regulation (EU) 2017/1129.)]

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Offering Memorandum and the applicable Pricing Supplement. Prospective investors should consider carefully the risk factors set out under "*Risk Factors*" in the Offering Memorandum referred to below.

## PART A – CONTRACTUAL TERMS

[This document constitutes the pricing supplement ("**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein [for the purposes of listing on the Official List of the Irish Stock Exchange] and must be read in conjunction with the Offering Memorandum dated [•] 2020 as supplemented from time to time (the "**Offering Memorandum**") [which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Official List of the Irish Stock Exchange and trading on its Global Exchange Market].]

Unless otherwise defined herein, terms used herein shall be deemed to be defined as such for the purposes of the [Conditions, the Terms and the Additional Terms set forth in the Offering Memorandum][the[2016][2017][2018][2019][2020] Conditions incorporated into and defined in the Offering Memorandum].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at and copies may be obtained from [www.investec.com/multiassetgroup] [http://treasury.investec.co.uk/institutions/impala-bonds.html] and during normal working hours from Investec Bank plc, 30 Gresham Street, London EC2V 7QP, and from [[Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB]/[Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE]].

**The Offering Memorandum does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU and not to be offered to the public in the European Economic Area or in the United Kingdom (other than pursuant to one or more of the exemptions set out in the Prospectus Regulation).**

**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | Issuer:                           | Investec Bank plc  |
| 2. | [(a)] Series Number:              | [•]  |
|    | [(b)] Tranche Number:             | [•][The Notes issued under this Pricing Supplement are to be consolidated and form a single series with [•] issued on [•] [(ISIN: [•])]] [Subject as provided under paragraph 26 ( <i>Form of Notes</i> ) below, the Notes issued under this Pricing Supplement are to be consolidated and form a single series with [•] issued on [•] [(ISIN: [•])] (the " <b>Original Notes</b> ").] |
| 3. | Specified Currency or Currencies: | [•]  |



4. Aggregate Nominal Amount:
  - (a) Series: [•][The aggregate nominal amount of the Notes issued will be notified and published on or about the Issue Date]
  - (b) Tranche: [•][The aggregate nominal amount of the Notes issued will be notified and published on or about the Issue Date]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6. (a) Specified Denominations: [•]
  - (b) Calculation Amount: [•]
7. (a) Issue Date: [•]
  - (b) Interest Commencement Date: [Issue Date][Not Applicable] [•]
  - (c) Trade Date: [Not Applicable] [•]
8. Maturity Date: [Interest Payment Date falling in or nearest to [•]][•]
9. Interest Basis: [Fixed Rate][and]  
[Floating Rate][and]  
[Zero Coupon]  
[Equity Linked Interest (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Pricing Supplement for further details)]  
[Index Linked Interest (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Pricing Supplement for further details)]  
[Fund Linked Interest (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Pricing Supplement for further details)]  
[Multi Underlying Linked Interest (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*)) to this Pricing Supplement for further details)]  
[Inflation Linked Interest (see Annex [2] (*Inflation Linked Provisions*)) to this Pricing Supplement for further details)]  
[•]

10. Redemption/Payment Basis: [Redemption at par]  
[Instalment]  
[Equity Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Pricing Supplement for further details)]  
[Index Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Pricing Supplement for further details)]  
[Fund Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Pricing Supplement for further details)]  
[Multi Underlying Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Pricing Supplement for further details)]  
[Inflation Linked Notes (see Annex [2] (Inflation Linked Provisions) to this Pricing Supplement for further details)]
11. Change of Interest Basis or Redemption/Payment Basis: [•][Not Applicable]
12. Call Option: [Applicable][Not Applicable]
13. Put Option: [Applicable][Not Applicable]
14. (a) Security Status: [Unsecured Notes][Partially][Secured Notes].  
(b) Date [Board] approval for issuance of Notes obtained: [•][Not Applicable]
15. Method of distribution: [Syndicated][Non-syndicated]
16. Redenomination on Euro Event: [Applicable][Not Applicable]  
(a) Relevant Jurisdiction: [•]

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

17. **Fixed Rate Note Provisions** [Applicable][Not Applicable]
- (a) Rate(s) of Interest: [•] per cent. per annum [payable [annually][semi-annually][quarterly]][•] in arrear [Such Rate of Interest as determined in accordance with [Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions)][Annex [2] (Inflation Linked Provisions) to this Pricing Supplement].]
- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date][[•] day of each calendar month from [•] up to and including [the Maturity Date]][•][Each

date specified in the column headed "*Interest Payment Date*" below][•]

Interest Period		Interest Payment Date
from and including	from and including	
[•]	[•]	[•]

- (c) Fixed Coupon Amount(s): [In relation to [the [first] [•]] Interest Payment Date/the Interest Payment Date falling [in/on] [•], [•] per Calculation Amount.]
- [In relation to all other Interest Payment Dates [•] per Calculation Amount.]
- [Not Applicable.]
- (d) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360 [30/360] [30E/360] [30E/360 (ISDA)]] [Actual/365L]
- (e) Determination Date(s): [[•] in each year][Each Interest Payment Date]/[•]
18. **Floating Rate Note Provisions** [Applicable][Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention][Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention]
- (d) Additional Business Centre(s): [•][Not Applicable]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination][ISDA Determination]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent): [•][Not Applicable]
- (g) Screen Rate Determination: [Applicable][Not Applicable]
- Reference Rate: [LIBOR][EURIBOR]
  - Interest Determination Date(s): [•][Second London business day prior to the start of each Interest Period][first day of each Interest Period][the second day on which the TARGET2

system is open prior to the start of each Interest Period]

- Relevant Screen Page: [•]
- (h) ISDA Determination: [Applicable] [Not Applicable]
  - Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Linear Interpolation: [Not Applicable/ Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [ ] shall be calculated using Linear Interpolation]
- (m) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360 [30/360] [30E/360] [30E/360 (ISDA)]] [Actual/365L]
- (n) Determination Date: [[•] in each year]
- 19. **Coupon Deferral** [Applicable][Not Applicable]
 

Coupon Reference Obligation [•]
- 20. **Zero Coupon Notes** [Applicable][Not Applicable]
 

Amortisation Yield: [•]

#### PROVISIONS RELATING TO REDEMPTION

21. Final Redemption Amount of each Note: [[•] per Calculation Amount]
- [Equity Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Pricing Supplement for further details)]
- [Index Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked Note Provisions) to this Pricing Supplement for further details)]
- [Fund Linked Notes (see Annex [1] (Equity/Index/Fund/Multi Underlying Linked

*Note Provisions*) to this Pricing Supplement for further details)]

[Multi Underlying Linked Notes (see Annex [1] (*Equity/Index/Fund/Multi Underlying Linked Note Provisions*) to this Pricing Supplement for further details)]

[Inflation Linked Notes (see Annex [2] (*Inflation Linked Provisions*) to this Pricing Supplement for further details)]

22. Details relating to Instalment Notes:

Instalment Date	Instalment Amount	Instalment Reduction
[•]	[•]/[•] per cent. of the nominal amount/[Inflation Linked]	[•]/[•] per cent. of the nominal amount

23. Early Redemption Amount: [[•] of Calculation Amount]
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable/Final Redemption Amount/ Fair Market Value]

24. Issuer Call Option [Applicable][Not Applicable]
- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]
- (c) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [[•] per Calculation Amount/Fair Market Value/[•]]
- (d) If redeemable in part:
- (i) Minimum Redemption Amount: [•] per Calculation Amount
- (ii) Maximum Redemption Amount: [•] per Calculation Amount

25. Noteholder Put Option [Applicable][Not Applicable]
- (a) Optional Redemption Date(s): [•]

- |     |  |  |
|-----|--|--|
| (b) | Notice period (if other than as set out in the Conditions):                                      | [•]  |
| (c) | Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [[•] per Calculation Amount/Fair Market Value/[•]] |

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- |     |  |   |
|-----|--|---|
| 26. | Form of Notes:   | <p>[Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]</p> <p>[The Notes will be fungible for trading purposes with the Original Notes upon and to the extent of the Temporary Global Note being exchanged for the Permanent Global Note. Until such exchange, the Notes will have a temporary ISIN, Common Code and SEDOL Code and following such exchange, have the same ISIN, Common Code and SEDOL Code as the Original Notes (as set out below in Paragraph 6 (<i>Operational Information</i>) of Part B).]</p> <p>[The Notes will be fungible for trading purposes with the Original Notes with effect from the date falling 40 days after the Issue Date (the "<b>Distribution Compliance Period End Date</b>"). On and prior to the Distribution Compliance Period End Date the Notes will have a temporary ISIN, Common Code and SEDOL Code and following the Distribution Compliance Period End Date will have the same ISIN, Common Code and SEDOL Code as the Original Notes (as set out below in Paragraph 6 (<i>Operational Information</i>) of Part B.)]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]</p> <p>[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]</p> <p>[Registered Notes: Registered Global Note ([•] nominal amount)]</p> <p>[Uncertificated Registered Notes]</p> |
| 27. | Additional Financial Centre(s) or other special provisions relating to Payment Days: | [Not Applicable/[•]]  |
| 28. | Talons for future Coupons or Receipts to be attached to                              | [Yes][No.]  |

Definitive Notes (and dates on which such Talons mature):

## DISTRIBUTION

- |     |  |  |
|-----|--|--|
| 29. | (a) If syndicated, names [and addresses] of Managers:  | [Not Applicable/[•]]   |
|     | (b) Date of [Subscription] Agreement:  | [•][Not Applicable]  |
| 30. | If non-syndicated, name [and address] of relevant Dealer:  | [Not Applicable/[•]] [Investec Bank plc will initially subscribe for up to [•]% of the principal amount of the Tranche as unsold allotment. Investec Bank plc may subsequently place such Notes in the secondary market or such Notes may subsequently be repurchased by the Issuer and cancelled.]  |
| 31. | Total commission and concession:   | [[•] per cent. of the Aggregate Nominal Amount][Not Applicable]  |
| 32. | Selling Restrictions:  |  |
|     | United States of America:  | [Reg. S Compliance Category: [2];<br>[TEFRA D][TEFRA C][TEFRA Not Applicable]  |
|     | Exemption(s) from requirements under Regulation (EU) 2017/1129 (the " <b>Prospectus Regulation</b> "): | [Not applicable. This offer is made exclusively to investors outside the European Economic Area and the United Kingdom]/[The denomination of the Notes is greater than or equal to EUR100,000 (or equivalent amount in another currency)]/[The offer is addressed solely to qualified investors (as such term is defined in the Prospectus Regulation)]/[The offer is addressed to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation)]/[The offer is addressed to investors who will acquire Notes for a consideration of at least EUR100,000 (or equivalent amount in another currency) per investor for each separate offer] |
|     | Prohibition of Sales to EEA or UK Retail Investors:  | [Applicable/Not Applicable]  |
|     | Additional selling restrictions:   | [specify any modifications of, or additions to, selling restrictions contained in Programme Agreement]   |

## TAXATION

- |     |           |   |
|-----|-----------|---|
| 33. | Taxation: | Condition 7A ( <i>Taxation – No Gross up</i> )<br>[applies/does not apply]<br><br>[Condition 7B ( <i>Taxation – Gross Up</i> )<br>[applies/does not apply]] |
|-----|-----------|---|

## SECURITY

34.	Security Provisions:	[Applicable][Not Applicable]	
(a)	Secured Portion:	[100][•] per cent. of the Notes	
(b)	Whether Collateral Pool secures this Series of Notes only or this Series and other Series:	[This Series only][This Series and other Series].	
(c)	Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Secured Notes secured thereby:	Supplemental Trust Deed dated [•] securing [this Series only][Series Number [•] among others]	
(d)	Eligible Collateral:	Valuation Percentage	Maximum Percentage
(i)	Cash in an Eligible Currency	[•]%	[•]%
(ii)	Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year	[•]%	[•]%
(iii)	Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 years	[•]%	[•]%
(iv)	Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of	[•]%	[•]%



	more than 10 years		
(v)	Negotiable senior debt obligations issued or guaranteed by any of the following entities:		
	Name of Entity	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(vi)	Any other entity, provided that the senior debt obligations are listed, cleared through Euroclear and/or Clearstream, Luxembourg, and are rated investment grade by one or more rating agencies.	[•]%	[•]%
(vii)	Negotiable subordinated debt obligations issued [or guaranteed] by any of the following entities:		
	Name of Entity [and description of subordinated debt, where appropriate]	Valuation Percentage	Maximum Percentage
	[•]	[•]%	[•]%

	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
	[•]	[•]%	[•]%
(viii)	Any other entity, provided that the subordinated debt obligations are listed, cleared through Euroclear and/or Clearstream, Luxembourg, and are rated investment grade by one or more rating agencies.	[•]%	[•]%
(e)	Valuation Dates:	[•][Not Applicable]	
(f)	Eligible Currency(ies):	[•]	
(g)	Base Currency:	[•]	
(h)	Minimum Transfer Amount:	[•]	
(i)	Independent Amount:	[•]	
(j)	Dealer Waiver of Rights:	[Applicable][Not Applicable]	
(i)	Maximum Waivable Amount:	[•] per cent. of the principal amount of the Series of Waivable Notes	

#### **CREDIT LINKAGE**

35.	Credit Linkage	[Applicable][Not Applicable]
(a)	Form of Credit Linkage:	[Simplified Credit Linkage][ISDA Credit Linkage]
(b)	Credit Linked Portion:	[[100][•] per cent. of the Notes][the Secured Portion (as described in Paragraph 34(a) ( <i>Secured Portion</i> ) above)][Not Applicable]
(c)	CDS Event Redemption Amount:	[Option A] [Option B]

[(d)] Reference Entities:

Name of Reference Entity	Reference Entity Weighting (%)	Reference Entity Removal Date
[•]	[•]	[Not Applicable][•]
[•]	[•]	[Not Applicable][•]
[•]	[•]	[Not Applicable][•]

[(e)] Recovery Rate: [General Recovery Rate][Specific Recovery Rate][Zero Recovery Rate] shall apply.

[(f)] Reference Entity Reference Obligation: [Applicable][Not Applicable]

Name of Reference Entity	Reference Obligation
[•]	[•]

[(g)] Seniority Level: [Senior Level][Subordinated Level] [Senior non-Preferred Level][Senior Preferred Level][As per seniority of the relevant Reference Obligation]

[(h)] Quotation Amount: [•]

[(i)] Recovery Rate Gearing: [[•] per cent.][Not Applicable]

[(j)] Reference Entity Removal Provisions: [Adjustment][Non-Adjustment][Not Applicable]

[(k)] Parallel Credit Linkage Provisions: [Applicable][Not Applicable]

- Parallel Credit Linkage Recovery Rate: [General Recovery Rate][Specific Recovery Rate][Zero Recovery Rate] shall apply.
- Parallel Credit Reference Entity [•][Not Applicable]
- Parallel Reference Obligation(s): [•][Not Applicable]
- Parallel Credit Linkage: CDS Event Redemption Amount [Option A] [Option B]
- Parallel Credit Linkage: Seniority Level: [Senior Level][Subordinated Level] [Senior non-Preferred Level][Senior Preferred Level] [As per seniority of the relevant Reference Obligation]

- Parallel Credit Linkage Quotation Amount: [•]
  - Parallel Credit Linkage Recovery Rate Gearing: [[•] per cent.][Not Applicable]
- [(1)] Standard Reference Obligation: [Applicable][Not Applicable]

RESPONSIBILITY

[[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

**PART B – OTHER INFORMATION**

1. **LISTING**

- (i) Listing: [Official List of [the Irish Stock Exchange]][the NDX][First North Stockholm][Not applicable]]
- (ii) Admission to trading: [Application [has been made][is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [Global Exchange Market][NDX][First North Stockholm] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Global Exchange Market with effect from [ ].] [Not applicable.]

2. **[RATINGS]**

- Ratings: [The long-term senior debt of the Issuer has been rated:]/[The Notes to be issued have been rated:]
- [S & P: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [The Notes to be issued have not been rated.]]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Save as discussed in the "Subscription and Sale" section of the Offering Memorandum, relating to the Issuer's agreement to reimburse the Dealers to certain of their expenses in connection with the update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

4. **[Floating Rate Notes only – HISTORIC INTEREST RATES]**

Information on past and future performance and volatility of the [LIBOR/EURIBOR] interest rates can be obtained from [Reuters].]

5. **PERFORMANCE AND VOLATILITY OF THE UNDERLYING AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Information about the past and the further performance of the underlying and its volatility can be found [•]]

The Issuer [intends to provide post-issuance information [•]] [does not intend to provide post-issuance information].

6. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ] [Not Applicable]
- [Temporary ISIN Code: [ ]]
- [Following consolidation with Original Notes:
- [ ]]

- (ii) SEDOL Code: [ ] [Not Applicable]  
 [Temporary SEDOL Code: [ ]]  
 [Following consolidation with Original Notes:  
 [ ]]
- (iii) Common Code: [ ] [Not Applicable]  
 [Temporary Common Code: [ ]]  
 [Following consolidation with Original Notes:  
 [ ]]
- (iv) Legal Entity Identifier: [ ]
- (v) CFI Code: [ ]
- (vi) FISN Code: [ ]
- (vii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [ ] [The Notes will be Uncertified Registered Notes held in CREST] [Not applicable]
- (viii) Delivery: [Delivery against payment] [Delivery free of payment]  
 (a) Issuer's Account details: [ ] [Not Applicable]
- (ix) Additional Paying Agent(s) (if any): [ ] [Not Applicable]
- (x) Common Depositary: [ ] [Not Applicable]
- (xi) Calculation Agent: [ ]  
 • is Calculation Agent to make calculations? [Yes] [No]  
 • if not, identify calculation agent: [ ] [Not Applicable]

**[ANNEX 1  
EQUITY/INDEX/MULTI UNDERLYING LINKED NOTE PROVISIONS]**

- |      |   |   |
|------|---|---|
| 1.   | <b>Type of Note:</b>  | [Index Linked Note][Equity Linked Note][Fund Linked Note][Multi Underlying Linked Note]   |
| 2.   | <b>Type of Underlying:</b>  | [Single Index] [Basket of Indices] [Single Share] [Basket of Shares] [Single ETF] [Basket of ETFs] [Single Fund Interest] [Basket of Fund Interests] [[•] Underlyings, being [a Single Index/a Basket of Indices/a Single Share/a Basket of Shares/a Single ETF/a Basket of ETFs/a Single Fund Interest/a Basket of Fund Interests] and [a Single Index/a Basket of Indices/a Single Share/a Basket of Shares/a Single ETF/a Basket of ETFs/a Single Fund Interest/a Basket of Fund Interests]] |
| 3.   | <b>Redemption and Interest Payment Provisions:</b>                  |   |
| (i)  | <i>Kick Out Notes with Capital at Risk Redemption Provisions</i>    | [Applicable][Not Applicable]  |
|      | • Return Threshold:   | [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]   |
|      | • Digital Return  | [[•] per cent.][Not Applicable]   |
|      | • Upside Return:  | [Applicable][Not Applicable]  |
|      | • Cap:  | [[•] per cent.][Not Applicable]   |
|      | • Gearing 1:  | [[•] per cent.][Not Applicable]   |
|      | • Downside Return 1:  | [Applicable][Not Applicable]  |
|      | • Downside Return 2:  | [Applicable][Not Applicable]  |
|      | • Gearing 2:  | [[•] per cent.][Not Applicable]   |
|      | • Lower Strike:   | [[•] per cent.][Not Applicable]   |
|      | • Upper Strike:   | [[•] per cent.][Not Applicable]   |
| (ii) | <i>Kick Out Notes without Capital at Risk Redemption Provisions</i> | [Applicable][Not Applicable]  |
|      | • Return Threshold:   | [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]   |
|      | • Digital Return:   | [[•] per cent.][Not Applicable]   |
|      | • Upside Return:  | [Applicable][Not Applicable]  |
|      | • Cap:  | [[•] per cent.][Not Applicable]   |
|      | • Gearing:  | [[•] per cent.][Not Applicable]   |



Part A – Information Relating to all Notes  
Pro Forma Pricing Supplement for Equity/Index/Multi Underlying Linked Notes

(iii) *Phoenix Kick Out Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

- Interest Amount: [In relation to each Calculation Amount and each Interest Payment Date, an amount equal to [•] per cent. of such Calculation Amount][•]
- Constant Monitoring: [Applicable][Not Applicable]
- Interest Amount Condition: [Bermudan/American/European]

Interest Payment Date	Interest [Observation] [Valuation] Date[s]	Interest Amount Threshold (as a percentage of the [Initial Index Level] [Initial Share Price][Initial Fund Value])	Interest Observation Start Date	Interest Observation End Date
[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]
[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]

- Interest Averaging: [Applicable][Not Applicable]

Interest Payment Date	Interest Amount Dates
[•]	[•]
Interest Payment Date	Interest Amount Period
[•]	[Each date from and including [•] (the "Interest Averaging Start Date") and to and including [•] (the "Interest Averaging End Date")][•] (the "Interest Averaging End Date") and the [•] [Scheduled Valuation Days] prior to the Initial Averaging End Date [which

are [Scheduled Valuation  
Days] in respect of each  
[Share] [Index] [Fund  
Interest].]

- Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
  - Digital Return: [[•] per cent.]
  - Memory Feature Provisions: [Applicable][Not Applicable]
  - Gearing [[•] per cent.][Not Applicable]
- (iv) *Upside Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
  - Digital Return: [[•] per cent.][Not Applicable]
  - Upside Return: [Applicable][Not Applicable]
  - Minimum Return: [[•] per cent.][Not Applicable]
  - Cap: [[•] per cent.][Not Applicable]
  - Gearing 1: [[•] per cent.][Not Applicable]
  - Downside Return 1: [Applicable][Not Applicable]
  - Downside Return 2: [Applicable][Not Applicable]
  - Gearing 2: [[•] per cent.][Not Applicable]
  - Lower Strike: [[•] per cent.][Not Applicable]
  - Upper Strike: [[•] per cent.][Not Applicable]
- (v) *Upside Notes without Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
  - Digital Return: [[•] per cent.][Not Applicable]
  - Upside Return: [Applicable][Not Applicable]
  - Minimum Return: [[•] per cent.][Not Applicable]
  - Cap: [[•] per cent.][Not Applicable]
  - Gearing: [[•] per cent.][Not Applicable]

Part A – Information Relating to all Notes  
*Pro Forma Pricing Supplement for Equity/Index/Multi Underlying Linked Notes*

(vi) *N Barrier (Income) Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

- Interest Amount: [In relation to each Calculation Amount and each Interest Payment Date, an amount equal to [•] per cent. of such Calculation Amount][•]
- Constant Monitoring: [Applicable][Not Applicable]
- Interest Amount Condition: [Bermudan/American/European]

Interest Payment Date	Interest [Observation][Valuation] Date[s]	Interest Amount Threshold (as a percentage of the [Initial Index Level][Initial Share Price] [Initial Fund Value])	Interest Observation Start Date	Interest Observation End Date
[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]
[•]	[•][Interest Observation Period applies]	[•]	[•][Not applicable]	[•][Not applicable]

- Interest Averaging: [Applicable][Not Applicable]

Interest Payment Date	Interest Averaging Dates
[•]	[•]
Interest Payment Date	Interest Averaging Period
[•]	[Each date from and including [•] (the "Interest Averaging Start Date") and to and including [•] (the "Interest Averaging End Date")] [•] (the "Interest Averaging End Date") and the [•]

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Scheduled Valuation Days  
prior to the Initial  
Averaging End Date]

	•	Return Threshold:	[[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]]		
	•	Digital Return:	[[•] per cent.][Not Applicable]		
	•	Downside Return 1:	[Applicable][Not Applicable]		
	•	Downside Return 2:	[Applicable][Not Applicable]		
	•	Gearing	[[•] per cent.][Not Applicable]		
	•	Lower Strike:	[[•] per cent.][Not Applicable]		
	•	Upper Strike:	[[•] per cent.][Not Applicable]		
(vii)		<i>Range Accrual (Income) Notes with Capital at Risk Redemption Provisions</i>	[Applicable][Not Applicable]		
	•	Range Accrual:	<b>Interest Payment Date</b>	<b>Range Upper Level</b>	<b>Range Lower Level</b>
			[•]	[•]	[•]
			[•]	[•]	[•]
	•	Relevant Rate:	[The Rate of Interest specified in the Fixed Rate provisions above][The Reference Rate specified in the Floating Rate provisions above] [•]		
	•	Return Threshold:	[[•] per cent. of [Initial Index Level/Initial Share Price/Initial Fund Value]]		
	•	Digital Return:	[•] per cent.		
	•	Downside Return 1:	[Applicable][Not Applicable]		
	•	Downside Return 2:	[Applicable][Not Applicable]		
	•	Gearing:	[[•] per cent.][Not Applicable]		
	•	Lower Strike:	[[•] per cent.][Not Applicable]		
	•	Upper Strike:	[[•] per cent.][Not Applicable]		
(viii)		<i>Range Accrual (Income) Notes without Capital at Risk Redemption Provisions:</i>	[Applicable][Not Applicable]		
	•	Range Accrual:	<b>Interest Payment Date</b>	<b>Range Upper Level</b>	<b>Range Lower Level</b>
			[•]	[•]	[•]
			[•]	[•]	[•]

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- Relevant Rate: [The Rate of Interest specified in the Fixed Rate provisions above][The Reference Rate specified in the Floating Rate provisions above] [•]
  - Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
  - Digital Return: [•] per cent.
- (ix) *Reverse Convertible Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
  - Downside Return 1: [[•] per cent.][Not Applicable]
  - Downside Return 2: [[•] per cent.][Not Applicable]
  - Gearing: [[•] per cent.][Not Applicable]
  - Lower Strike: [[•] per cent.][Not Applicable]
  - Upper Strike: [[•] per cent.][Not Applicable]
- (x) *Dual Underlying Kick Out Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
  - Risk Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
  - Digital Return: [[•] per cent.][Not Applicable]
  - Upside Return: [Applicable][Not Applicable]
  - Cap: [[•] per cent.][Not Applicable]
  - Gearing 1: [[•] per cent.][Not Applicable]
  - Downside Return 1: [Applicable][Not Applicable]
  - Downside Return 2: [Applicable][Not Applicable]
  - Gearing 2: [[•] per cent.][Not Applicable]
  - Lower Strike: [[•] per cent.][Not Applicable]
  - Upper Strike: [[•] per cent.][Not Applicable]
- (xi) *Dual Underlying Upside Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]
- Return Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]

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- Risk Threshold: [[•] per cent. of [Initial Index Level]][Initial Share Price][Initial Value][Initial Fund Value]]
  - Digital Return: [[•] per cent.][Not Applicable]
  - Upside Return: [Applicable][Not Applicable]
  - Minimum Return: [[•] per cent.][Not Applicable]
  - Cap: [[•] per cent.][Not Applicable]
  - Gearing 1: [[•] per cent.][Not Applicable]
  - Downside Return 1: [Applicable][Not Applicable]
  - Downside Return 2: [Applicable][Not Applicable]
  - Gearing 2: [[•] per cent.][Not Applicable]
  - Lower Strike: [[•] per cent.][Not Applicable]
  - Upper Strike: [[•] per cent.][Not Applicable]
- (xii) *Provisions for determining [Interest and] Final Redemption Amounts* [Insert formula for calculating Interest/Redemption]

4. **Additional Provisions**

(i) Underlying(s):

- [Single Index] [•]  
[[the "Return Underlying"]][the "Risk Underlying"]]:]
- Index Sponsor: [•]
- Exchange: [•]
- Multi-Exchange Index: [Yes][No]
- Non Multi-Exchange Index: [Yes][No]

[Basket of Indices] [[the "Return Underlying"]][the "Risk Underlying"]]:]	Index	Index Sponsor	Exchange	Weighting	Type of Index
	[•]	[•]	[•]	[•][equally weighted Basket] [Not Applicable]	[Multi-Exchange Index] [Non Multi-Exchange Index]

- [Single [Share][ETF Share] [[the "Return Underlying"]][the "Risk Underlying"]]:]  
[•] [ISIN: [•]]

- [Share Issuer:][Fund:] [•]
- [Share Currency:] [•]
- [Exchange:] [•]

[[Basket of Shares][Basket of ETF Shares] [[the "Return Underlying"]][the "Risk Underlying"]]:]	Name and short description of [Share][ETF Share] (including ISIN Number and Share Currency)	[Share Issuer][Fund]	Exchange	Number of [Shares][ETF Shares] [Weighting]
	[•]	[•]	[•]	[•][equally weighted Basket] [Not Applicable]

- [Single Fund Interest: [[the

**"Return Underlying"[(the "Risk Underlying")]]**

- [Name and short description of the Fund (including where NAV will be published)]

[The Fund is a Mutual Fund]

[The Fund is a Hedge Fund]

[The Fund is a Private Equity Fund]

- [Basket of Fund Interests:] [(the "Return Underlying"[(the "Risk Underlying")]]

Name and short description of the Fund (including where NAV will be published)	Type of Fund	[Weighting] [Number of Fund Interests]
[•]	[Mutual Fund] [Hedge Fund] Private Equity Fund]	[•][equally weighted Basket][Not Applicable]

- Worst of Provisions: [Applicable] [in respect of [the Return Underlying][the Risk Underlying][both the Risk Underlying and the Return Underlying]][Not Applicable]

- Best of Provisions: [Applicable] [in respect of [the Return Underlying][the Risk Underlying][both the Risk Underlying and the Return Underlying]][Not Applicable]

(ii) Averaging Dates Market Disruption: [Omission][Postponement][Modified Postponement][Preceding][Not Applicable]

(iii) Additional Disruption Events: [Change of Law][Hedging Disruption][Increased Cost of Hedging][Insolvency Filing][ETF Modification][Strategy Breach][Regulatory Action][Cross-contamination]

(iv) Business Day: [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET2 Business Day].]

(v) Valuation Time: [•]

(vi) Strike Date: [•]

(vii) [Initial Level][Initial Price][Initial Value][Initial Value]: Index Share Fund [the Index Level on the Strike Date][the Share Price on the Strike Date][the Value on the Strike Date][Initial Averaging applies][Best Strike applies]



	•	[Constant Monitoring:]	[Applicable][Not Applicable]				
	•	[Strike Start Date:]	[•]				
	•	[Strike End Date:]	[•]				
(viii)	Initial Averaging:		[Applicable][Not Applicable]				
	•	[Initial Averaging Dates:]	[•][Initial Averaging Period applies]				
	•	[Initial Averaging Period:]	[Not Applicable] [Each Scheduled Valuation Day from and including [•] (the " <b>Initial Averaging Start Date</b> ") and to and including [•] (the " <b>Initial Averaging End Date</b> ") [•] (the " <b>Initial Averaging End Date</b> ") and the [•] Scheduled Valuation Days prior to the Initial Averaging End Date.]				
(ix)	Automatic Redemption:	Early	[Applicable][Not applies]	[Applicable][Not Applicable]	[Constant Monitoring]		
			<b>[Automatic Early Redemption Valuation Date]</b>	<b>[Automatic Early Redemption Date]</b>	<b>[Automatic Early Redemption Amount]</b>	<b>[Automatic Early Redemption Threshold]</b>	
			[•]	[•]	[•] per cent. of Issue Price	[•] per cent. of Initial [Share Price][Value] [Index Level][Fund Value]]	
	•	[Automatic Early Redemption Valuation Date]	Each [•], [•], [•] and [•] in each year from and including [•] to and including [•].				
	•	Automatic Early Redemption Date	The date which falls [•] Business Days following the applicable Automatic Early Redemption Valuation Date.				
	•	Automatic Early Redemption Amount	[•] per cent. of Issue Price.				
	•	Automatic Early Redemption Threshold	[•] per cent. of Initial [Share Price][Value] [Index Level][Fund Value]].]				

(x)	Automatic Redemption Following Convention:	Early	[Applicable][Not Applicable]	
(xi)	Automatic Redemption Averaging:	Early	[Applicable][Not Applicable]	[Automatic Redemption Averaging Period applies] Early
			<b>Automatic Early Redemption Date</b>	<b>Automatic Early Redemption Averaging Dates</b>
			[•]	[•], [•] and [•]
			<b>Automatic Early Redemption Date</b>	<b>Automatic Early Redemption Averaging Period</b>
			[•]	[Each Scheduled Valuation Day from and including [•] (the " <b>Automatic Early Redemption Averaging Start Date</b> ") and to and including [•] (the " <b>Automatic Early Redemption Averaging End Date</b> ")][[•] (the " <b>Automatic Early Redemption Averaging End Date</b> ") and the [•] Scheduled Valuation Days prior to the Automatic Early Redemption Averaging End Date.]
(xii)	Barrier Condition:		[American][European][Bermudan]	
	• [Barrier Threshold:]		[•] per cent. of [Initial Index Level][Initial Share Price][Initial Value][Initial Fund Value]	
	• [Barrier Valuation Date:]		[•][Not Applicable]	
	• [Barrier Observation Period:]		[The period from and including [•] (the " <b>Barrier Observation Start Date</b> ") to and including [•] (the " <b>Barrier Observation End Date</b> ")][Not Applicable]	
	• [Barrier Observation Dates:]		[[•][•] and [•]][Not Applicable]	
	• [Constant Monitoring:]		[Applicable][Not Applicable]	
(xiii)	Barrier Averaging:		[Applicable][Not Applicable]	
	• [Barrier Averaging Dates:]		[[•][•] and [•]] [Barrier Averaging Period applies]	

- [Barrier Averaging Period:] [Each Scheduled Valuation Day from and including [•] (the "**Barrier Averaging Start Date**") and to and including [•] (the "**Barrier Averaging End Date**") [•] (the "**Barrier Averaging End Date**") and the [•] Scheduled Valuation Days prior to the Barrier Averaging End Date.]
- (xiv) [Final Level][Final Price][Final Value][Final Value]: [Index Share Fund] [the Index Level on the Final Redemption Valuation Date][the Share Price on the Final Redemption Valuation Date][the Value on the Final Redemption Valuation Date][the Fund Value on the Final Fund Redemption Valuation Date][Final Averaging applies][Best Strike applies]
- [Final Redemption Valuation Date:] [•][Not Applicable]
- [Redemption Level Start Date:] [•][Not Applicable]
- [Redemption Level End Date:] [•][Not Applicable]
- [Constant Monitoring:] [Applicable][Not Applicable]
- (xv) Final Averaging: [Applicable][Not Applicable]
- [Final Averaging Dates:] [•] [Final Averaging Period applies]
- [Final Averaging Period:] [Not Applicable] [Each Scheduled Valuation Day from and including [•] (the "**Final Averaging Start Date**") and to and including [•] (the "**Final Averaging End Date**") [•] (the "**Final Averaging End Date**") and the [•] Scheduled Valuation Days prior to the Final Averaging End Date.]
- (xvi) Fund Documents: [•][Not Applicable]
- (xvii) Fund Business Day: [•][Not Applicable]
- (xviii) Fund Service Provider: [As per Conditions][•][Not Applicable]
- (xix) NAV Percentage: Trigger [As per Conditions][The NAV Trigger Percentage shall be, with respect to [a Mutual Fund, [•] per cent.] [a Hedge Fund, [•] per cent.,] [a Private Equity Fund, [•] per cent.]] [•][Not Applicable]
- (xx) Number of NAV Publication Days: [As per Conditions][•][Not Applicable]
- (xxi) Minimum AUM Level: [As per Conditions][The Minimum AUM Level shall be, with respect to [a Mutual Fund, [•]] [a Hedge Fund, [•]] [a

Part A – Information Relating to all Notes  
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Private Equity Fund, [•], or the equivalent in any other  
currency][•][Not Applicable]

(xxii) Delayed redemption on Occurrence of an  
Extraordinary Fund  
Event: [Applicable][Not Applicable]

(xxiii) Delayed Payment Cut-Off Date: [As per Conditions][•]

**[ANNEX 2  
INFLATION LINKED PROVISIONS]**

**1. Redemption and Interest Provisions**

(i) *Inflation Linked Notes without Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

- Inflation Index: [UK Retail Price Index][•]
- Underlying Linked Interest [Applicable][Not Applicable]
- Fixed Rate of Interest: [•] / [Not Applicable]
- Initial Inflation Level: [[•] / Reference Month: [•]]
- Interest Payment Dates: [[•] in each year up to and including the Maturity Date / [•]][Not Applicable]
- Reference Month in relation to Interest Payment Dates: [•] / [Not Applicable]

Interest Payment Date	Reference Month
[•]	[•]
[•]	[•]
[•]	[•]
[•]	[•]

- Reference Month in relation to the Maturity Date: [•]
- Minimum Return [•][Not Applicable]

(ii) *Inflation (Interest Only) Linked Notes without Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

- Inflation Index: [UK Retail Price Index][•]
- Initial Inflation Level: [[•] / Reference Month: [•]]
- Interest Payment Dates: [[•] in each year up to and including the Maturity Date / [•]]
- Reference Month in relation to Interest Payment Dates: [•] / [Not Applicable]

Interest Payment Date	Reference Month
[•]	[•]

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[•]	[•]
[•]	[•]
[•]	[•]

- Margin: [•] / [Not Applicable]
- Maximum Rate of Interest: [•] / [Not Applicable]
- Minimum Rate of Interest: [•] / [Not Applicable]

(iii) *Inflation Linked Notes with Capital at Risk Redemption Provisions* [Applicable][Not Applicable]

- Inflation Index: [UK Retail Price Index][•]
- Underlying Linked Interest [Applicable][Not Applicable]
- Fixed Rate of Interest: [•] / [Not Applicable]
- Initial Inflation Level: [[•] / Reference Month: [•]]
- Interest Payment Dates: [[•] in each year up to and including the Maturity Date / [•]][Not Applicable]
- Reference Month in relation to Interest Payment Dates: [•] / [Not Applicable]

Interest Payment Date	Reference Month
[•]	[•]
[•]	[•]
[•]	[•]
[•]	[•]

- Reference Month: in relation to the Maturity Date: [•]
- Inflation Linked Instalment Provisions: [Applicable][Not Applicable]
  - Reference Month in relation to Instalment Dates: [•]

Instalment Date	Reference Month
[•]	[•]

Part A – Information Relating to all Notes  
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[•]	[•]
[•]	[•]
[•]	[•]

2. **Additional Provisions**

- (i) Fallback Bond: [•] / [Not Applicable]
- (ii) Related Bond: [•] / [Fallback Bond]
- (iii) Related Bond Redemption Event: [Applicable][Not Applicable]

**ANNEX 3**  
**ADDITIONAL PROVISIONS RELATING TO THE UNDERLYING**

Statements regarding the Reference Entity:	[Applicable – [name of Reference Entity]]/[Not Applicable]
	[ ]
Statements Regarding the FTSE® 100 Index:	[Applicable][Not Applicable]
	[ ]
Statements Regarding the FTSE® All-World Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the S&P® 500 Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the EuroSTOXX® Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the MSCI® Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the MSCI Emerging Market Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the Hang Seng China Enterprises (HSCEI) Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the Deutscher Aktien Index (DAX):	[Applicable][Not Applicable]
	[ ]
Statements regarding the S&P/ASX 200 (AS51) Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the CAC 40 Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the Nikkei 225 Index:	[Applicable][Not Applicable]
	[ ]
Statements regarding the JSE Top40 Index:	[Applicable][Not Applicable]
	[ ]



Statements regarding the BNP Paribas SLI Enhanced Absolute Return Index: [Applicable][Not Applicable]

Statements regarding the Finvex Sustainable Efficient Europe 30 Price Index: [Applicable][Not Applicable]

[ ]

Statements regarding the Finvex Sustainable Efficient World 30 Price Index: [Applicable][Not Applicable]

[ ]

Statements regarding the Tokyo Stock Exchange Price Index: [Applicable][Not Applicable]

[ ]

Statements regarding the EVEN 30™ Index: [Applicable][Not Applicable]

[ ]

Statements regarding the EURO 70™ Low Volatility Index: [Applicable][Not Applicable]

[ ]

Statements regarding the SMI Index: [Applicable][Not Applicable]

[ ]

Statements regarding the [•] Index: [Applicable][Not Applicable]

[ ]

Information about the [•] Index can be obtained from [•].

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes of each Series will be in either bearer form, with or without interest coupons attached, certificated registered form or uncertificated registered form, in each case without interest coupons attached.

### **Bearer Notes**

Each Tranche of Notes in bearer form will be initially issued in the form of a temporary bearer global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Pricing Supplement, a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with the Temporary Bearer Global Note, the "**Bearer Global Notes**") which, in either case, will be delivered on or prior to the issue date of the relevant Tranche to a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

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

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, **provided that** purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused. Temporary Bearer Global Notes exchangeable for definitive Bearer Notes on or after the Exchange Date will not have a Specified Denomination which includes the concept of higher integral multiples above the minimum denomination.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. Where the applicable Pricing Supplement specifies that a Permanent Bearer Global Note will be exchangeable on 60 days' notice given at any time, the Notes will not have a Specified Denomination which includes the concept of higher integral multiples above the minimum denomination. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative or successor clearing system satisfactory to the Trustee is available or (iii) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an

Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes that are not in registered form for U.S. tax purposes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

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

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

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

#### **Registered Notes**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Registered Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d) (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d) (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Notwithstanding Condition 5(d) (*Payments in respect of Registered Notes*), for so long as any Registered Note in global form is held through a clearing system, payments of any amount in respect of the Registered Notes will be made to the person shown in the Register as the Registered Holder of the Notes represented by a Registered Note at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Trust Certificate is being

held is open for business. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable see "*Subscription and Sale*".

For purposes of clarity, references herein to "**Registered Notes**" do not include Notes issued in uncertificated registered form (the "**Uncertificated Registered Notes**"), and Registered Notes, in either global or definitive form, are not exchangeable for Uncertificated Registered Notes and *vice versa* (except that Uncertificated Registered Notes shall be exchanged for Registered Definitive Notes in certain limited circumstances specified in the Trust Deed, including in circumstances where such Uncertificated Registered Notes cease to be participating securities capable of being held in CRESTCo. Limited).

#### **Uncertificated Registered Notes**

Each Tranche of Uncertificated Registered Notes will be in uncertificated registered form comprising Notes which are uncertificated units of a security in accordance with the Regulations.

Uncertificated Registered Notes will not be exchangeable for Notes in definitive registered form.

Title to Uncertificated Registered Notes is recorded on the relevant Operator register of corporate securities.

Each person who is for the time being shown in the Record (as defined under "*General Conditions of the Notes*") as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer, the CREST Registrar and the Trustee as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Uncertificated Registered Notes**" and related expressions shall be construed accordingly).

#### **Further Tranches**

Pursuant to the Agency Agreement (as defined under "*General Conditions of the Notes*") (in the case of Notes other than Uncertificated Registered Notes) or the Computershare Agency Agreement (in the case of Uncertificated Registered Notes), the Principal Paying Agent or the CREST Registrar (as the case may be) shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code (except in the case of Uncertificated Registered Notes) and ISIN number which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

#### **Other provisions relating to Notes held in Euroclear and/or Clearstream, Luxembourg**

For so long as any of the Notes is represented by a Bearer Global Note or a Registered Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of

manifest error) shall be treated by the Issuer, the Trustee and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

In respect of any Notes in the form of a Bearer Global Note or a Registered Global Note Condition 5(h) (*Payment Day*) provides that "**Payment Day**" means either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 4 (*Interest*)) and each Additional Financial Centre specified in the applicable Pricing Supplement.

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

## TAXATION

### United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the applicable Pricing Supplement may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders should ensure that they understand their tax position before acquiring any Notes. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to make sure they understand their tax position and whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

#### *UK Withholding Tax on UK Source Interest*

The Notes issued by the Issuer which carry a right to interest ("**UK Notes**") will constitute "quoted Eurobonds" provided they are and continue to be "listed on a recognised stock exchange". Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in EEA states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The Irish Stock Exchange is a recognised stock exchange. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Global Exchange Market of that Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

In addition to the quoted Eurobonds exemption set out above, interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business.

In all cases falling outside the exemptions described above, interest on the UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

#### *Other Rules Relating to UK Withholding Tax*

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions outlined above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "**interest**" and "**principal**" above mean "interest" and "principal" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g. See Condition 5 (*Payments*) of the Conditions). Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as these terms are understood in United Kingdom tax law. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Pricing Supplement of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer of the Notes (whether pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the Conditions or otherwise) and does not consider the tax consequences of any such substitution.

#### **Other Information Relating to Tax**

The following is a general description of certain other non-United Kingdom tax considerations relating to the Notes. It does not purport to be a complete analysis of all non-United Kingdom tax considerations relating to the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

##### *The proposed FTT*

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**") and Estonia. However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

**Withholding on account of U.S. tax under FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold on (i) certain payments of U.S. source income and (ii) beginning two years after the date final Treasury regulations defining the term "foreign passthru payments" are published in the U.S. Federal Register, foreign passthru payments made to persons that fail to meet certain certification, reporting, or related requirements.

A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.



## **SUBSCRIPTION AND SALE**

The Dealer has, in a programme agreement most recently amended and restated on or about 18 July 2019 (such programme agreement as further modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**"), agreed with the Issuer a basis upon which it and any other dealers from time to time appointed under the Programme or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Summary of Provisions relating to the Notes while in Global Form*" and "*General Conditions of the Notes*". The Notes may be sold by the Issuer through the Dealer(s), acting as agent(s) of the Issuer. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### **Selling Restrictions**

#### ***United States***

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes may include Notes in bearer form for U.S. tax purposes which are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

#### ***Prohibition of Sales to EEA and UK Retail Investors***

Except in respect of any Series of Notes in relation to which the Pricing Supplement specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA or in the United Kingdom. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 27/1129; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes

In respect to any Series of Notes in relation to which the Pricing Supplement specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the pricing supplement in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) *Approved Prospectus*: if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, **provided that** any such prospectus which has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

**provided that** no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

#### ***United Kingdom***

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### *Switzerland*

**The Notes do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"). Therefore, the Notes are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA") and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.**

Neither this Offering Memorandum nor any offering or marketing material relating to the Notes constitute a prospectus within the meaning of (i) Articles 652a or Article 1156 of the Swiss Federal Code of Obligations, (ii) Article 5 CISA and its implementing regulations or (iii) Article 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange.

However, the Issuer reserves the right to set forth all information which may be required to be disclosed in a simplified prospectus pursuant to Article 5 CISA in a separate document referred to as "Pricing Supplement" and/or "Simplified Prospectus" (the "**Simplified Prospectus**") for Notes distributed (such term including any offering and advertising) to qualified investors according to Article 10 Para. 3 to 4 CISA ("**Qualified Investors**") or non-qualified investors within the meaning of Article 5 Para. 1 CISA ("**Non-Qualified Investors**").

Except as described in this section, Notes constituting structured products within the meaning of Article 5 CISA ("**Structured Products**") may not be distributed to Non-Qualified Investors in or from Switzerland. They may only be distributed in or from Switzerland to Qualified Investors.

Any Notes constituting Structured Products which are intended to be distributed to Non-Qualified Investors in or from Switzerland may only be offered or advertised in accordance with the provisions of the CISA and its implementing regulations. In particular, the CISA requires that a Simplified Prospectus complying with Article 5 CISA, its implementing regulations and the Swiss Banking Guidelines on Informing Investors about Structured Products (as amended from time to time) must be published. A provisional version of such Simplified Prospectus including indicative information must be made available free of charge to any interested person prior to subscribing the Notes or prior to concluding an agreement to subscribe the Notes. The definitive version must be made available free of charge to any interested person on issue or on concluding an agreement to subscribe the Notes.

Notes constituting Structured Products which are not intended to be distributed to Non-Qualified Investors in or from Switzerland may only be distributed in or from Switzerland to Qualified Investors. Any Pricing Supplement, Simplified Prospectuses, term sheets, fact sheets, or any other marketing material of products which are to be sold exclusively to Qualified Investors may not be distributed, copied, published or otherwise made public or available for Non-Qualified Investors.

### *South Africa*

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not offer or solicit any offers for sale or subscription or sell or deliver any Notes, or distribute any copy of the relevant Base Prospectus, Prospectus or Offering Memorandum (as applicable) or any other document relating to the Notes, in South Africa, in each case except in accordance with the Exchange Control Regulations, 1961 promulgated pursuant to the South African Currency and Exchanges Act, 1933 ("**Exchange Control Regulations**"), the South African Companies Act, 2008 ("**Companies Act**"), the South African Banks Act, 1990 ("**Banks Act**") and any other applicable laws and regulations of South Africa in force from time to time.

In particular:

- The purchase of or subscription for Notes by a South African resident (as defined in the Exchange Control Regulations) ("**Resident**") requires the prior written approval of the Financial Surveillance Department of the South African Reserve Bank ("**Exchange Control Authorities**") in terms of the Exchange Control Regulations. An approval under the Exchange Control Regulations may take the form of (i) a "specific" approval granted pursuant to a specific individually motivated application to the Exchange Control Authorities or (ii) a "general pre-approval" which, subject to the terms of the approval, applies generically to certain classes of transactions or all transactions of a particular kind. Accordingly, the Dealer represents and agrees,

and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer Notes for subscription, or otherwise sell any Notes, to any Resident unless that Resident has obtained the prior "specific" written approval of the Exchange Control Authorities for such subscription or sale or such subscription or sale by that Resident is covered by a "general pre-approval" issued by the Exchange Control Authorities from time to time and, without prejudice to the foregoing, that it will take all reasonable measures available to it to ensure that no Note will be purchased by, or sold to, or beneficially held or owned by, any Resident other than in strict compliance with the Exchange Control Regulations in effect from time to time.

- This Offering Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the Companies Act) and the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not make an "*offer to the public*" (as such expression is defined in the Companies Act) of Notes (whether for subscription, purchase or sale) in South Africa.
- The acceptance by the Issuer of the proceeds of an issuance of certain types of Notes which are subscribed for and/or purchased directly by South African resident investors on the primary market in South Africa may, under certain circumstances, comprise "*the business of a bank*" for purposes of the Banks Act. Accordingly, the Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it will take all reasonable measures available to it to ensure that South African resident investors who or which so subscribe for and/or purchase such Notes in such issuance do not comprise the "*general public*" for purposes of the Banks Act, unless such issuance complies with an available exemption to the "*the business of a bank*" provided for under the Banks Act.

### ***Israel***

This Offering Memorandum has not been approved by the Israeli Securities Authority and must not be distributed to Israeli residents in a manner that would constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 1968 (the "**Securities Law**"). The Notes may only be offered to those categories of investors listed in the First Addendum (the "**Addendum**") to the Securities Law ("**Sophisticated Investors**") namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing Notes for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing Notes for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing Notes for themselves), members of the Tel-Aviv Stock Exchange (purchasing Notes for themselves or for clients who are Sophisticated Investors), underwriters (purchasing Notes for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, other than formed for the specific purpose of an acquisition pursuant to an offer, with a shareholders' equity in excess of NIS 50 million, and individuals investing for their own account, in respect of which at least one of the following applies: the total value of their cash, deposits, financial assets (as defined in the Law for the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995 (the "**Investment Advice Law**") and securities traded on a stock exchange licensed under the Securities Law (together, "**Liquid Assets**") exceeds NIS 8,095,444; their level of income over each of the preceding two years exceeds NIS 1,214,317, or the level of income of their "family unit" exceeds NIS 1,821,475; or the aggregate value of all their Liquid Assets exceeds NIS 5,059,652 and their level of income over each of the preceding two years exceeds NIS 607,158, or the level of income of their "family unit" exceeds NIS 910,737; each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israeli Securities Authority.

This Offering Memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a Note is purchasing such Note for its own benefit and account and not with the aim or intention of distributing or offering such Note to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing Notes for another party which is a Sophisticated Investor). As a prerequisite to the receipt of a copy of this Offering Memorandum a recipient

may be required to provide confirmation that it is a Sophisticated Investor purchasing Notes for its own account or, where applicable, for other Sophisticated Investors.

The Issuer does not hold a licence under the Investment Advice Law to conduct investment marketing. Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making any investment. Nothing in the relevant Base Prospectus, Prospectus or Offering Memorandum (as applicable) should be considered Investment Advice or Investment Marketing defined in the Investment Advice Law.

This Offering Memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

### ***Isle of Man***

The Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall only offer or sell Notes in or from the Isle of Man:

- (a) if it holds an appropriate investment business licence issued by the Isle of Man Financial Services Authority (the "**FSA**") under section 7 of the Isle of Man Financial Services Act 2008; or
- (b) in accordance with any relevant exclusion contained in the Isle of Man Regulated Activities Order 2011 (as amended) or exemption contained in the Isle of Man Financial Services (Exemptions) Regulations 2011 (as amended).

The Notes and the Offering Memorandum are not available in or from the Isle of Man other than in accordance with paragraphs (a) and (b) above and must not be relied upon by any person unless made or received in accordance with those paragraphs.

### ***Guernsey***

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"); or (ii) to persons licensed under the POI Law, the Insurance Managers and Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), or the Regulation of Fiduciaries, Administration Businesses and Company Directors, Etc, (Bailiwick of Guernsey) Law, 2000 (as amended); provided that the requirements set out in section 29(1)(cc) of the POI Law have been complied with and (iii) by reverse solicitation. This Prospectus is not subject to the Prospectus Rules 2018 issued by the Guernsey Financial Services Commission and, accordingly, has not been filed with the Guernsey Financial Services Commission.

### ***Jersey***

The Issuer does not hold a consent under the Control of Borrowing (Jersey) Order 1958 ("**COBO**"), however, this prospectus may be circulated in Jersey by the Dealer in accordance with a relevant exemption contained in Article 8 of COBO on the basis that (i) this offer is "valid in the United Kingdom" and is circulated in Jersey only to persons similar to those to whom, and in a similar manner to that in which, it is for the time being circulated in the United Kingdom or, otherwise, does not constitute an "offer to the public" and (ii) that the Issuer does not have a "relevant connection" with Jersey, as such terms are defined in COBO.

### ***General***

The Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Memorandum and will obtain any consent, approval or permission required by it

for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Trustee or any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

**With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Pricing Supplement.**

## GENERAL INFORMATION IN RELATION TO ALL NOTES

### Authorisation

The update of the £4,000,000,000 Impala Bonds Programme (the "**Programme**") and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 24 March 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Listing and Admission to Trading

This Offering Memorandum constitutes listing particulars for the purposes of listing on the Irish Stock Exchange's Official List and trading on its Global Exchange Market and does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129, (the "**Prospectus Regulation**"). Application has been made for this Offering Memorandum to be approved by the Irish Stock Exchange and the securities to be admitted to the Irish Stock Exchange's Official List and to trading on its Global Exchange Market. Application may also be made for the Notes issued under the Programme to be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system (including, without limitation the Nordic MTF of the Nordic Growth Market NGM AB ("**NDX**") and the Nasdaq First North market of Nasdaq Stockholm AB ("**First North Stockholm**").

### Documents Available

So long as any of the Notes are outstanding and throughout the life of the Programme, copies of the following documents will, when published, be available for inspection in physical form from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London:

- (i) the Memorandum and Articles of Association of the Issuer;
- (ii) the audited consolidated annual financial statements of the Issuer in respect of the financial years ended 31 March 2019 and 31 March 2018, together with the auditor's reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (iii) the unaudited consolidated interim financial information of the Issuer in respect of the six months ended 30 September 2019;
- (iv) the Programme Agreement, the Trust Deed, the Agency Agreement, the Computershare Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (v) a copy of this Offering Memorandum;
- (vi) a copy of the Impala Bonds Programme Offering Memorandum dated 4 March 2016 and the supplements dated 14 July 2016 and 9 December 2016;
- (vii) a copy of the Impala Bonds Programme Offering Memorandum dated 3 March 2017 and the supplements dated 12 July 2017 and 12 December 2017;
- (viii) a copy of the Impala Bonds Programme Offering Memorandum dated 6 March 2018 and the supplements dated 29 June 2018 and 19 November 2018;
- (ix) a copy of the Impala Bonds Programme Offering Memorandum dated 27 March 2019 and the supplements dated 3 July 2019 and 9 December 2019; and
- (x) any future offering circulars, prospectuses, information memoranda and supplements including, free of charge, Pricing Supplement (save that Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market in the EEA or in the UK nor offered in the EEA or in the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and

identity) to this Offering Memorandum and any other documents incorporated herein or therein by reference.

### **Clearing Systems**

The Notes (other than Uncertificated Registered Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The relevant ISIN and Common Code will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The Uncertificated Registered Notes are participating securities for the purposes of the Regulations. The Operator is in charge of maintaining the Operator register of corporate securities. Title to the Uncertificated Registered Notes is recorded and will pass on registration in the Operator register of corporate securities. As at the date of this Offering Memorandum, the relevant Operator for the purposes of the Regulations Euroclear UK and Ireland.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Euroclear UK and Ireland is Watling House, 33 Cannon St, London EC4M 5SB, United Kingdom.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Changes to the Issuer's Board of Directors**

On 1 April 2019, Paul Kenneth Seward was appointed as Non-Executive Director of Investec Bank Plc.

On 19 November 2019, Christopher Guy Butt Meyer, Alistair David Stuart, Ryan James Eric Tholet were appointed as Executive Directors of Investec Bank Plc.

On 19 November 2019, David Michael Van der Walk resigned as Director and Chief Executive Officer, Kieran Colum Whelan and Ian Robert Wohlman resigned as Executive Directors of Investec Bank Plc.

Consequently, from and including 19 November 2019, references to David Michael Van der Walk, Kieran Colum Whelan and Ian Robert Wohlman in the table contained on page 32 of the Registration Document shall be deleted.

### **Significant or Material Change**

There has been no significant change in the financial or trading position of the Issuer and its group since 30 September 2019, being the end of the most recent financial period for which it has published financial statements.

There has been no material adverse change in the prospects of the Issuer since the financial year ended 31 March 2019, the most recent financial year for which it has published audited financial statements.

### **Litigation**

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Offering Memorandum which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer and/or its group.

### **Auditors**

The audited consolidated financial statements of the Issuer for the financial years ended 31 March 2018 and 31 March 2019 have been audited without qualification by Ernst & Young LLP, chartered accountants



registered auditors and independent auditors whose address is 25 Churchill Place, Canary Wharf, London E14 5EY.

**Post-issuance information**

The Issuer does not intend to provide any post-issuance information, except if required by any applicable laws and regulations.

**Dealers transacting with the Issuer**

The Dealers from time to time appointed under the Programme and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

**Yield**

In relation to each Tranche of Notes, the indication of yield (if any) referred to in the applicable Pricing Supplement will be calculated at the Issue Date of such Tranche on the basis of the Issue Price of such Tranche. This is not an indication of future yield.

**Legal Entity Identifier**

The Legal Entity Identifier (LEI) of the Issuer is 84S0VF8TSMH0T6D4K848.

**Issuer's website**

The Issuer's website is [www.investec.com](http://www.investec.com). Unless specifically incorporated by reference into this Offering Memorandum, information contained on the website does not form part of this Offering Memorandum.

**PART B – EQUITY LINKED NOTES/INDEX LINKED NOTES/FUND LINKED NOTES/MULTI UNDERLYING LINKED NOTES**

**FURTHER INFORMATION RELATING TO EQUITY LINKED NOTES/INDEX LINKED NOTES/FUND LINKED NOTES/MULTI UNDERLYING LINKED NOTES**

Under the Programme, the Issuer may from time to time issue Equity Linked Notes, Index Linked Notes, Fund Linked Notes or Multi Underlying Linked Notes, being Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by reference to the performance of a single share, a basket of Shares, an index or a basket of indices or a combination of two or more such underlyings over a defined period, as may be specified in the applicable Pricing Supplement of each Series of Notes.

This Part provides information in relation to such Equity Linked Notes, Index Linked Notes, Fund Linked Notes and Multi Underlying Linked Notes including terms for the Equity Linked Notes/Index Linked Notes/Fund Linked/Multi Underlying Linked Notes and redemption provisions in respect of following types of Equity Linked Notes/Index Linked Notes/Fund Linked/Multi Underlying Linked Notes which may be issued under the Programme:

1. Kick Out Notes with Capital at Risk;
2. Kick Out Notes without Capital at Risk;
3. Phoenix Kick Out Notes with Capital at Risk;
4. Upside Notes with Capital at Risk;
5. Upside Notes without Capital at Risk;
6. N Barrier (Income) Notes with Capital at Risk;
7. Range Accrual (Income) Notes with Capital at Risk;
8. Range Accrual (Income) Notes without Capital at Risk;
9. Reverse Convertible Notes with Capital at Risk;
10. Dual Underlying Kick Out Notes with Capital at Risk; and
11. Dual Underlying Upside Notes with Capital at Risk.

This Part should be read together with Part A of this Offering Memorandum.

**Terms for Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes**

If the Notes are specified in the relevant Pricing Supplement as being **Equity Linked** or **Index Linked** or **Fund Linked Notes** or **Multi Underlying Linked Notes**, the Conditions applicable to the Notes shall be supplemented by the terms (the "**Terms**") for Equity Linked Notes/Index Linked Notes/Fund Linked/Multi Underlying Linked Notes as set out below, as such Terms may be amended or supplemented by the provisions of the Pricing Supplement

In the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Offering Memorandum, the Terms will prevail for the purposes of the Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes. In the event of any inconsistency between any of these Terms and the Pricing Supplement in relation to the Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes, the Pricing Supplement shall prevail.

### *Redemption Provisions*

The Notes will also be subject to a set of redemption provisions ("**Redemption Provisions**") which will govern the amount payable upon redemption of the Notes (and, if applicable, any amounts payable during the term of such Notes).

Such Redemption Provisions will be identified in the applicable Pricing Supplement either as one of the sets of Redemption Provisions contained herein (as completed by certain elections made in the relevant Pricing Supplement), or will be set out in full in the applicable Pricing Supplement. Such Redemption Provisions shall be included in and form part of the Terms of the Notes.

"**Equity Linked Notes**" issued under the Programme may have a redemption amount which is linked to a **single share**, a **single ETF**, a **basket of shares** or a **basket of ETFs** in accordance with the provisions set out below.

"**Index Linked Notes**" issued under the Programme may have a redemption amount which is linked to an **index**, or a **basket of indices** in accordance with the provisions set out below.

"**Fund Linked Notes**" issued under the Programme may have a redemption amount which is linked to a **fund share**, or a **basket of fund shares** in accordance with the provisions set out below.

"**Multi Underlying Linked Notes**" issued under the Programme may have a redemption amount which is linked to two or more separate underlyings, which will be any combination of **one or more single indices**, **one or more single shares**, **one or more baskets of indices** or **one or more baskets of shares** in accordance with the provisions set out below.

In addition, Notes may (i) bear interest in an amount which is linked to the Underlying in accordance with the provisions set out below and/or (ii) bear interest at a fixed rate or floating rate in accordance with Condition 4 (*Interest*). Alternatively the Notes may not bear interest.

The Terms of Equity Linked Notes/Index Linked Notes/Fund Linked/Multi Underlying Linked Notes may include one or any of the sets of Redemption Provisions set out below, or such other set of Redemption Provisions as specified in the applicable Pricing Supplement.

### **Risk Factors in relation to the Equity Linked Notes/ Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes**

An investment in Equity Linked Notes/Index Linked Notes/Fund Linked/Multi Underlying Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of this Offering Memorandum and in particular the section entitled "*Risks related to Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes*".

**REDEMPTION PROVISIONS IN RESPECT OF CERTAIN OF THE EQUITY LINKED  
NOTES/INDEX LINKED NOTES/FUND LINKED NOTES/MULTI UNDERLYING LINKED  
NOTES THAT MAY BE ISSUED UNDER THE PROGRAMME**

*For ease of reference each set of redemption provisions assumes that the "underlying" is a single Share (or ETF Share) (or, in the case of Multi Underlying Linked Notes all "underlyings" are single Shares). However, the redemption provisions in paragraphs 1, 2, 3, 5, 6, 7, 9, 10 and 11 apply to Notes linked to a single Index, a Basket of Indices, a Basket of Shares (or ETF Shares), a Fund Interest or a Basket of Fund Interests in the same manner as to Notes linked to a single Share (or ETF Share). The redemption provisions in paragraphs 4 and 8 (in respect of Multi Underlying Linked Notes) apply equally in respect of any combination of equity, index or fund underlyings. Consequently, in these paragraphs, where applicable, references to "Share" shall be construed as references to "Index", "Fund Interest", "Basket of Shares (or ETF Shares)" "Basket of Indices" or "Basket" of Fund Interests", references to "price" shall be construed as references to "level" in respect of a single Index or a Basket of Indices, "Fund Value" in respect of a Fund Interest or a Basket of Fund Interests and "value" in respect of a Basket of Shares, references to "Initial Share Price" shall be construed as references to "Initial Value" in respect of a Basket of Shares (or ETF Shares), "Initial Index Level" in respect of a single Index or a Basket of Indices and "Initial Fund Value" in respect of a Fund Interest or a Basket of Fund Interests and references to "Final Share Price" shall be construed as references to "Final Value" in respect of a Basket of Shares (or ETF Shares), "Final Index Level" in respect of a single Index or a Basket of Indices and "Final Fund Value" in respect of a Fund Interest or a Basket of Fund Interests.*

**1. Kick Out Notes with Capital at Risk.**

**A. Further Information relating to Kick Out Notes with Capital at Risk.**

The Kick Out Notes with Capital at Risk are Equity Linked Notes, Fund Linked Notes or Index Linked Notes (as applicable). The return that an investor receives in relation to Kick Out Notes with Capital at Risk whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices, or an underlying Fund Interest or Basket of Fund Interests as specified in the applicable Pricing Supplement, which in certain circumstances can result in the investor receiving a return that is less than par.

The Notes do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

**B. Formulae for determination of Redemption Amounts and other optional provisions relating to Kick Out Notes with Capital at Risk**

*Automatic Early Redemption Amount*

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Pricing Supplement, the price of the Share (as calculated in accordance with the provisions of the applicable Pricing Supplement) is greater than the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Pricing Supplement and an Automatic Early Redemption Event may occur on any such date.

**Part B – Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes**  
*Redemption Provisions in respect of certain of the Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes that may be issued under the Programme*

**Final Redemption Amount**

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold, either:
- (i) if Digital Return is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \text{Digital Return}$$

**OR**

- (ii) if Upside Return is specified as being applicable in the applicable Pricing Supplement

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

- (b) if (X) the Barrier Condition is satisfied and (Y) the Final Price is less than or equal to the Return Threshold:

$$\text{Specified Denomination} \times 100\%$$

- (c) if (X) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left[ 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right] \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left[ 0, \text{Max} \left[ \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right] \right)$$

(please note that if the Cap, Gearing 1 and/or Gearing 2 are specified as being Not Applicable in the applicable Pricing Supplement, the Cap shall be unlimited, the Gearing 1 shall be 100% and/or the Gearing 2 shall be 100% as applicable)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and

Part B – Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes  
*Redemption Provisions in respect of certain of the Equity Linked Notes/Index Linked Notes/Fund Linked  
Notes/Multi Underlying Linked Notes that may be issued under the Programme*

- (c) if "**Bermudan**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Cap**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Digital Return**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Price**" means the Final Share Price;

"**Gearing 1**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Gearing 2**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Initial Price**" means the Initial Share Price;

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Pricing Supplement;

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement; and

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.

2. **Kick Out Notes without Capital at Risk**

A. ***Further Information relating to Kick Out Notes without Capital at Risk***

Kick Out Notes without Capital at Risk are Equity Linked Notes, Fund Linked Notes or Index Linked Notes (as applicable). The return that an investor receives in relation to Kick Out Notes without Capital at Risk whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices, or an underlying Fund Interest or Basket of Fund Interests as specified in the applicable Pricing Supplement.

The Notes do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

B. ***Formulae for determination of Redemption Amounts relating to Kick Out Notes with Capital at Risk***

*Automatic Early Redemption Amount*

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Pricing Supplement, the price of the Share (as calculated in accordance with the provisions specified in the applicable Pricing Supplement) is greater than (or greater than or equal to) the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Pricing Supplement and an Automatic Early Redemption Event may occur on any such date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent as:

(a) if the Final Price is greater than the Return Threshold, either:

(i) if Digital Return is specified as being applicable in the applicable Pricing Supplement:

Specified Denomination x Digital Return

**OR**

(ii) if Upside Return is specified as being applicable in the applicable Pricing Supplement

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing} \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

(b) if the Final Price is less than or equal to the Return Threshold:

Specified Denomination x 100%

(please note that if the Cap and Gearing are specified as being Not Applicable in the applicable Pricing Supplement, the Cap shall be unlimited and the Gearing shall be deemed to be 100%)

Part B – Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes  
*Redemption Provisions in respect of certain of the Equity Linked Notes/Index Linked Notes/Fund Linked  
Notes/Multi Underlying Linked Notes that may be issued under the Programme*

where:

"**Cap**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Digital Return**", if applicable, means  $n$  per cent. as specified in the applicable Pricing Supplement;

"**Final Price**" means the Final Share Price;

"**Gearing**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Initial Price**" means the Initial Share Price;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Pricing Supplement; and

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.



3. **Phoenix Kick Out Notes with Capital at Risk**

A. ***Further Information relating to Kick Out Notes with Capital at Risk.***

Phoenix Kick Out Notes with Capital at Risk are Equity Linked Notes, Fund Linked Notes or Index Linked Notes (as applicable) in relation to which an Interest Amount may be payable if the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices, or an underlying Fund Interest or Basket of Fund Interests, as specified in the applicable Pricing Supplement, fulfils certain conditions described below and set out in the applicable Pricing Supplement. The Notes may also bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

The return that an investor receives in relation to Phoenix Kick Out Notes with Capital at Risk, whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of an underlying Share or a Basket of Shares, or an underlying Index or Basket of Indices, or an underlying Fund Interest or Basket of Fund Interests, as specified in the applicable Pricing Supplement, which in certain circumstances can result in the investor receiving a return that is less than par.

B. ***Formulae for determination of Interest Amount relating to Phoenix Kick Out Notes with Capital at Risk***

*Interest Amount*

Whether or not one or more Interest Amount Event(s) occurs in respect of the Notes depends upon the price of the Share (as calculated in accordance with the provisions specified in the applicable Pricing Supplement) as compared to one or more relevant Interest Amount Conditions specified in the applicable Pricing Supplement, as determined by the Calculation Agent.

An "**Interest Amount Event**" will occur in relation to any Interest Payment Date if on any Interest Valuation Date, during any Interest Averaging Period, during any Interest Observation Period or on each and every Interest Observation Date, in each case relating to such Interest Payment Date, the price of the Share (as calculated in accordance with the provisions specified in the applicable Pricing Supplement) meets the relevant Interest Amount Condition applicable to that Interest Valuation Date, that Interest Averaging Period, that Interest Observation Period or those Interest Observation Dates.

If the Calculation Agent determines that an Interest Amount Event has occurred, the Interest Amount relevant to such Interest Amount Event will become payable.

If the "**Memory Feature Provisions**" are specified as being applicable in the applicable Pricing Supplement, if the Calculation Agent determines that an Interest Amount Event has occurred in relation to an Interest Payment Date, then, if an Interest Amount Event did not occur in relation to any Interest Period prior to such Interest Amount Event (but subsequent to any previous Interest Amount Event), the Missed Interest Amounts in respect of any such Interest Period will become payable on such Interest Payment Date.

"**Interest Amount**" means the amount specified in the applicable Pricing Supplement;

"**Interest Amount Threshold**" means  $n$  per cent. of the Initial Share Price as specified in the applicable Pricing Supplement;

"**Interest Amount Condition**" means:

- (a) if "**European**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than the Interest Amount Threshold on the Interest Valuation Date, or, if Interest Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Interest Averaging Date is greater than the Interest Amount Threshold, as specified in the applicable Pricing Supplement;

Part B – Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes  
*Redemption Provisions in respect of certain of the Equity Linked Notes/Index Linked Notes/Fund Linked Notes/Multi Underlying Linked Notes that may be issued under the Programme*

- (b) if "**American**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than the Interest Amount Threshold during the Interest Observation Period as specified in the applicable Pricing Supplement; and
- (c) if "**Bermudan**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than the Interest Amount Threshold on each and every Interest Observation Date as specified in the applicable Pricing Supplement,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of Interest Amount, in which case the price shall be monitored at all times on such date(s);

"**Missed Interest Amounts**" means any Interest Amounts that would have become payable in relation to an Interest Period but for the fact that an Interest Amount Event did not occur in respect of such Interest Period.

C. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Phoenix Kick Out Notes with Capital at Risk***

*Automatic Early Redemption Amount*

The Notes will be automatically redeemed if, on any Automatic Early Redemption Valuation Date specified in the applicable Pricing Supplement, the price of the Share (as calculated in accordance with the provisions specified in the applicable Pricing Supplement) is greater than the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Pricing Supplement and an Automatic Early Redemption Event may occur on any such date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold:  
 Specified Denomination x Digital Return
- (b) if (X) the Barrier Condition is satisfied and (Y) the Final Price is less than or equal to the Return Threshold:  
 Specified Denomination x 100%
- (c) if (X) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

(please note that if Gearing is specified as being Not Applicable in the applicable Pricing Supplement, the Gearing shall be 100%)

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where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or, if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Digital Return"** means  $n$  per cent., as specified in the applicable Pricing Supplement;

**"Final Price"** means the Final Share Price;

**"Gearing"**, if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

**"Initial Price"** means the Initial Share Price; and

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Pricing Supplement.

4. **Upside Notes with Capital at Risk**

A. ***Further Information relating to Upside Notes with Capital at Risk***

Upside Notes with Capital at Risk are Equity Linked Notes, Fund Linked Notes or Index Linked Notes. The return that an investor receives in relation to Upside Notes with Capital at Risk is linked to the performance of an underlying Share or a Basket, an underlying Fund Interest or Basket of Fund Interests or an underlying Index or Basket of Indices, as specified in the applicable Pricing Supplement.

The Notes do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Upside Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

(a) if the Final Price is greater than the Return Threshold:

(i) if Digital Return is specified as being applicable in the applicable Pricing Supplement:

Specified Denomination × Digital Return

**OR**

(ii) if Upside Return is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

(b) if (X) the Barrier Condition is satisfied and (Y) the Final Price is less than or equal to the Return Threshold:

Specified Denomination × 100%

(c) if (X) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

(i) if Downside Return 1 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left[ 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right] \right)$$

**OR**

(ii) if Downside Return 2 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left[ 0, \text{Max} \left[ \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right] \right)$$

(please note that if the Cap, Gearing 1, Gearing 2 and/or Minimum Return are specified as being Not Applicable in the applicable Pricing Supplement, the Cap shall be unlimited,

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the Gearing 1 shall be 100%, the Gearing 2 shall be 100% and Minimum Return shall be 0%, as applicable)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Cap"**, if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

**"Digital Return"**, if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Price"** means the Final Share Price;

**"Gearing 1"**, if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

**"Gearing 2"**, if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

**"Initial Price"** means the Initial Share Price;

**"Lower Strike"**, if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

**"Minimum Return"**, if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

**"Return Threshold"** means *n* per cent. of the Initial Price as specified in the applicable Pricing Supplement;

**"Upper Strike"**, if applicable, means *n* per cent., as specified in the applicable Pricing Supplement; and

**"Upside Return"**, if applicable, means a return determined in accordance with the provisions above.

5. **Upside Notes without Capital at Risk**

A. ***Further Information relating to Upside Notes without Capital at Risk***

Upside Notes with Capital at Risk are Equity Linked Notes, Fund Linked Notes or Index Linked Notes. The return that an investor receives in relation to Upside Notes without Capital at Risk is linked to the performance of an underlying Share or a Basket, an underlying Fund Interest or Basket of Fund Interests or an underlying Index or Basket of Indices, as specified in the applicable Pricing Supplement.

The Notes do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Upside Notes without Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

(a) if the Final Price is greater than the Return Threshold:

(i) if Digital Return is specified as being applicable in the applicable Pricing Supplement:

Specified Denomination × Digital Return

**OR**

(ii) if Upside Return is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \text{Min} \left( \text{Cap, Gearing} \times \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right) \right\} \right]$$

(b) if the Final Price is less than or equal to the Return Threshold:

Specified Denomination × 100%

(please note that if the Cap, Gearing and/or Minimum Return are specified as being Not Applicable in the applicable Pricing Supplement, the Cap shall be unlimited and the Gearing shall be 100% and the Minimum Return shall be 0)

where:

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

"**Digital Return**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

"**Final Price**" means the Final Share Price, in case of Shares and Final Value, in case of a Basket;

"**Gearing**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

"**Initial Price**" means the Initial Share Price, in case of Shares, and Initial Value, in case of a Basket;

"**Minimum Return**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

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**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Pricing Supplement; and

**"Upside Return"**, if applicable, means a return determined in accordance with the provisions above.

6. **N Barrier (Income) Notes with Capital at Risk**

A. ***Further Information relating to N Barrier (Income) Notes with Capital at Risk***

N Barrier (Income) Notes are Equity Linked Notes/Fund Linked Notes/Index Linked Notes in relation to which the Interest Amount for such Notes is only payable if the performance of the underlying Share or Basket of Shares, an underlying Fund Interest or Basket of Fund Interests, or, as the case may be, the underlying Index or Basket of Indices, as specified in the applicable Pricing Supplement, fulfils certain conditions described below and set out in the applicable Pricing Supplement. The Notes may also bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

The Final Redemption Amount of the Notes will depend upon the performance of a Share or a Basket of Shares, an underlying Fund Interest or Basket of Fund Interests or an Index or Basket of Indices, as specified in the applicable Pricing Supplement.

B. ***Formulae for determination of Interest Amount relating to N Barrier (Income) Notes with Capital at Risk***

*Underlying Linked Interest Amount*

Whether or not one or more Interest Amount Event(s) occurs in respect of the Notes depends upon the price of the Share (as calculated in accordance with the provisions specified in the applicable Pricing Supplement) as compared to one or more relevant Interest Amount Conditions specified in the applicable Pricing Supplement occurs, as determined by the Calculation Agent.

An "**Interest Amount Event**" will occur in relation to any Interest Payment Date if on any Interest Valuation Date, during any Interest Averaging Period, during any Interest Observation Period or on each and every Interest Observation Date, in each case relating to such Interest Payment Date, the price of the Share (as calculated in accordance with the provisions specified in the applicable Pricing Supplement), meets the relevant Interest Amount Condition applicable to that Interest Valuation Date, that Interest Averaging Period, that Interest Observation Period or those Interest Observation Dates.

If the Calculation Agent determines that an Interest Amount Event has occurred, the Interest Amount relevant to the particular Interest Amount Condition satisfied will become payable. The total amount payable will be the aggregate of each Interest Amount payable in respect of each Interest Period for which the relevant Interest Amount Condition is satisfied.

"**Interest Amount Condition**" means:

- (a) if "**European**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than the Interest Amount Threshold on the Interest Valuation Date, or, if Interest Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Interest Averaging Date is greater than the Interest Amount Threshold, as specified in the applicable Pricing Supplement;
- (b) if "**American**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than the Interest Amount Threshold during the Interest Observation Period as specified in the applicable Pricing Supplement; and
- (c) if "**Bermudan**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than the Interest Amount Threshold on each and every Interest Observation Date as specified in the applicable Pricing Supplement,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of Interest Amount, in which case the price shall be monitored at all times on such date(s).



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**Final Redemption Amount**

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold:

Specified Denomination x Digital Return

- (b) if (X) the Barrier Condition is satisfied and (Y) the Final Price is less than or equal to the Return Threshold:

Specified Denomination x 100%

- (c) if (X) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(please note that if Gearing is specified as being Not Applicable in the applicable Pricing Supplement, the Gearing shall be deemed to be 100%)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if **"Bermudan"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

**"Digital Return"** means n per cent., as specified in the applicable Pricing Supplement;

**"Downside Return 1"**, if applicable, means a return determined in accordance with the provisions above;

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**"Downside Return 2"**, if applicable, means a return determined in accordance with the provisions above;

**"Final Price"** means the Final Share Price;

**"Gearing"**, if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

**"Initial Price"** means the Initial Share Price;

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Pricing Supplement; and

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement.

7. **Range Accrual (Income) Notes with Capital at Risk**

A. ***Further Information relating to Range Accrual (Income) Notes with Capital at Risk***

Range Accrual (Income) Notes with Capital at Risk are Equity Linked Notes, Fund Linked Notes or Index Linked Notes (as applicable) in relation to which an interest amount linked to the performance of the Underlying will be payable on Interest Payment Dates occurring at regular intervals throughout the life of the Notes. The Interest Amount that an investor in the Notes receives is linked to the performance of a Share or a Basket of Shares, an underlying Fund Interest or Basket of Fund Interests or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Pricing Supplement and on how many actual days during the relevant Interest Period the applicable price, level or value remains above a lower level or within a range. The Notes may also bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

The Final Redemption Amount of the Notes will depend upon the performance of a Share or a Basket of Shares, an underlying Fund Interest or Basket of Fund Interests or an Index or Basket of Indices, as specified in the applicable Pricing Supplement.

B. ***Formulae for determination of Rate of Interest relating to Range Accrual (Income) Notes with Capital at Risk***

*Rate of Interest*

Interest determined in accordance with the below will be payable in respect of the Range Accrual (Income) Notes with Capital at Risk.

The Rate of Interest payable in respect of the Notes for any Interest Period shall be a rate determined by the Calculation Agent in accordance with the following formula:

Relevant Rate  $\times$  Accrual Factor

Where the Relevant Rate is a floating rate, the amount of interest payable in respect of an Interest Payment Date shall be determined in accordance with Condition 4(b) (*Interest on Floating Rate Notes*), and where the Relevant Rate is a fixed rate shall be determined in accordance with Condition 4(a) (*Interest on Fixed Rate Notes*).

where:

"**Accrual Factor**" is calculated as the actual number of Scheduled Valuation Days during each Interest Period in which:

- (a) the Price of Shares is greater than or equal to the Range Lower Level and less than or equal to the Range Upper Level (or, where "Worst of Provisions" or "Best of Provisions" are specified as applicable, the Price of the Worst Performing Share is greater than or equal to the Range Lower Level and the Price of the Best Performing Share is less than or equal to the Range Upper Level); or
- (b) if Range Upper Level is specified as Not Applicable, the Price of Shares is greater than or equal to the Range Lower Level; or
- (c) if Range Lower Level is specified as Not Applicable, the Price of Shares is less than or equal to the Range Upper Level;

in each case divided by the actual number of Scheduled Valuation Days during such Interest Period, **provided that** (i) for Scheduled Valuation Days that are not Exchange Business Days or Fund Business Days (as applicable), the Price of Shares shall be the same as the previous Exchange Business Day or Fund Business Day fixing (as applicable), and (ii) the final fixing of the Price of Shares in the respective Interest Period will be as of the day that is five (5) Exchange Business Days or Fund Business Days (as applicable) prior to the respective Interest Payment Date and that day's fixing shall apply in respect of the remaining days of the respective Interest Period;

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**"Range Lower Level"** means *n* per cent. of the Initial Share Price as specified in the applicable Pricing Supplement; and

**"Range Upper Level"** means *n* per cent. of the Initial Share Price as specified in the applicable Pricing Supplement.

**"Relevant Rate"** shall be any of the fixed Rate of Interest specified in the Fixed Rate provisions of the applicable Pricing Supplement, the Reference Rate specified in the Floating Rate or the relevant rate specified in the applicable Pricing Supplement, as applicable (and calculated by the Calculation Agent in accordance with the terms and fixed on the dates specified therein);

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold:

Specified Denomination x Digital Return

- (b) if (X) the Barrier Condition is satisfied and (Y) the Final Price is less than or equal to the Return Threshold:

Specified Denomination x 100%

- (c) if (X) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(please note that if Gearing is specified as being Not Applicable in the applicable Pricing Supplement, the Gearing shall be 100%)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if **"American"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and

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- (c) if "**Bermudan**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Digital Return**" means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Price**" means the Final Share Price;

"**Gearing**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Initial Price**" means the Initial Share Price;

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Return Threshold**" means  $n$  per cent. of the Initial Price as specified in the applicable Pricing Supplement; and

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement.

8. Range Accrual (Income) Notes without Capital at Risk

A. ***Further Information relating to Range Accrual (Income) Notes without Capital at Risk***

Range Accrual (Income) Notes without Capital at Risk are Equity Linked Notes, Fund Linked Notes or Index Linked Notes (as applicable) in relation to which an interest amount linked to the performance of the Underlying will be payable on Interest Payment Dates occurring at regular intervals throughout the life of the Notes. The Interest Amount that an investor in the Notes receives is linked to the performance of a Share or a Basket of Shares, an underlying Fund Interest or Basket of Fund Interests or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Pricing Supplement and on how many actual days during the relevant Interest Period the applicable price or value remains above a lower level or within a range. The Notes may also bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

The Final Redemption Amount of the Notes will depend upon the performance of a Share or a Basket of Shares, an underlying Fund Interest or Basket of Fund Interests or an Index or Basket of Indices, as specified in the applicable Pricing Supplement.

B. ***Formulae for determination of Rate of Interest relating to Range Accrual (Income) Notes without Capital at Risk***

*Rate of Interest*

Interest determined in accordance with the below will be payable in respect of the Range Accrual (Income) Notes with Capital at Risk.

The Rate of Interest payable in respect of the Notes for any Interest Period shall be a rate determined by the Calculation Agent in accordance with the following formula:

Relevant Rate × Accrual Factor

Where the Relevant Rate is a floating rate, the amount of interest payable in respect of an Interest Payment Date shall be determined in accordance with Condition 4(b) (*Interest on Floating Rate Notes*), and where the Relevant Rate is a fixed rate shall be determined in accordance with Condition 4(a) (*Interest on Fixed Rate Notes*).

where:

"**Accrual Factor**" is calculated as the actual number of Scheduled Valuation Days during each Interest Period in which:

- (a) the Price of Shares is greater than or equal to the Range Lower Level and less than or equal to the Range Upper Level (or, where "Worst of Provisions" or "Best of Provisions" are specified as applicable, the Price of the Worst Performing Share is greater than or equal to the Range Lower Level and the Price of the Best Performing Share is less than or equal to the Range Upper Level); or
- (b) if Range Upper Level is specified as Not Applicable, the Price of Shares is greater than or equal to the Range Lower Level; or
- (c) if Range Lower Level is specified as Not Applicable, the Price of Shares is less than or equal to the Range Upper Level;

in each case divided by the actual number of Scheduled Valuation Days during such Interest Period, **provided that** (i) for Scheduled Valuation Days that are not Exchange Business Days or Fund Business Days (as applicable), the Price of Shares shall be the same as the previous Exchange Business Day or Fund Business Day fixing (as applicable), and (ii) the final fixing of the Price of Shares in the respective Interest Period will be as of the day that is five (5) Exchange Business Days or Fund Business Days (as applicable) prior to the respective Interest Payment Date and that day's fixing shall apply in respect of the remaining days of the respective Interest Period;

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Notes/Multi Underlying Linked Notes that may be issued under the Programme*

**"Range Lower Level"** means  $n$  per cent. of the Initial Share Price as specified in the applicable Pricing Supplement; and

**"Range Upper Level"** means  $n$  per cent. of the Initial Share Price as specified in the applicable Pricing Supplement.

**"Relevant Rate"** shall be any of the fixed Rate of Interest specified in the Fixed Rate provisions of the applicable Pricing Supplement, the Reference Rate specified in the Floating Rate or the relevant rate specified in the applicable Pricing Supplement, as applicable (and calculated by the Calculation Agent in accordance with the terms and fixed on the dates specified therein);

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

- (a) if the Final Price is greater than the Return Threshold:

Specified Denomination x Digital Return

- (b) if the Final Price is less than or equal to the Return Threshold:

Specified Denomination x 100%

where:

**"Digital Return"** means  $n$  per cent., as specified in the applicable Pricing Supplement;

**"Final Price"** means the Final Share Price;

**"Initial Price"** means the Initial Share Price; and

**"Return Threshold"** means  $n$  per cent. of the Initial Price as specified in the applicable Pricing Supplement.

9. **Reverse Convertible Notes with Capital at Risk**

A. ***Further Information relating to Reverse Convertible Notes***

Reverse Convertible Notes with Capital at Risk are Equity Linked Notes, Fund Linked Notes or Index Linked Notes that are linked to the performance of a Share or Basket, an underlying Fund Interest or Basket of Fund Interests or, as the case may be, an underlying Index or Basket of Indices, as specified in the applicable Pricing Supplement. The Final Redemption Amount of the Notes will depend upon the performance of a Share or a Basket of Shares, an underlying Fund Interest or Basket of Fund Interests or an Index or Basket of Indices, as specified in the applicable Pricing Supplement.

The Notes do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

B. ***Formulae for Final Redemption Amount and other optional provisions relating to Reverse Convertible Notes potentially***

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the applicable formula, as follows:

- (a) if (X) the Final Price is greater than the Return Threshold or (Y) the Barrier Condition is satisfied:

Specified Denomination x 100%

- (b) if (X) the Barrier Condition is not satisfied, and (Y) the Final Price is less than or equal to the Return Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing} \times \left( \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing} \times \left( \frac{\text{Final Price}}{\text{Initial Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

as specified in the applicable Pricing Supplement.

(please note that if the Cap and/or Gearing are specified as being Not Applicable in the applicable Pricing Supplement, the Cap shall be unlimited and the Gearing shall be deemed to be 100%, as applicable)

where:

**"Barrier Condition"** means:

- (a) if **"European"** is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Share on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;



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- (b) if "**American**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Pricing Supplement, that the price of the Share is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Price**" means the Final Share Price;

"**Gearing**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Initial Price**" means the Initial Share Price;

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement; and

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement.

10. **Dual Underlying Kick Out Notes with Capital at Risk**

A. ***Further Information relating to Dual Underlying Kick Out Notes with Capital at Risk***

Dual Underlying Kick Out Notes with Capital at Risk are Multi Underlying Linked Notes.

The return that an investor receives in relation to Dual Underlying Kick Out Notes with Capital at Risk whether as an Automatic Early Redemption Amount or the Final Redemption Amount, is linked to the performance of two Underlyings, being any combination of single Shares, single Fund Interests, single Indices, Baskets of Indices, Baskets of Fund Interests and Baskets of Shares, as specified in the applicable Pricing Supplement, which in certain circumstances can result in the investor receiving a return that is less than par.

The Notes do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

B. ***Formulae for determination of Redemption Amounts and other optional provisions relating to Dual Underlying Kick Out Notes with Capital at Risk***

*Automatic Early Redemption Amount*

The Notes will be automatically redeemed if on any Automatic Early Redemption Valuation Date specified in the applicable Pricing Supplement, the price of the Return Underlying (as calculated in accordance with the provisions specified in the applicable Pricing Supplement), is greater than the relevant Automatic Early Redemption Threshold specific to that Automatic Early Redemption Valuation Date, (an "**Automatic Early Redemption Event**").

If the Calculation Agent determines that an Automatic Early Redemption Event has occurred, the Automatic Early Redemption Amount relevant to the Automatic Early Redemption Valuation Date will become payable on the immediately following Automatic Early Redemption Date. For the avoidance of doubt, there may be multiple Automatic Early Redemption Valuation Dates specified in the applicable Pricing Supplement and an Automatic Early Redemption Event may occur on any such date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be:

(a) if the Final Return Price is greater than the Return Threshold, either:

(i) if Digital Return is specified as being applicable in the applicable Pricing Supplement:

Specified Denomination x Digital Return

**OR**

(ii) if Upside Return is specified as being applicable in the applicable Pricing Supplement

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ 0, \text{Min} \left( \text{Cap, Gearing1} \times \frac{\text{Final Return Price} - \text{Initial Return Price}}{\text{Initial Return Price}} \right) \right\} \right]$$

(b) if (X) the Final Return Price is less than or equal to the Return Threshold, and (Y) either (A) the Barrier Condition is satisfied and/or (B) the Final Risk Price is greater than the Risk Threshold:

Specified Denomination x 100%

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- (c) if (X) the Final Return Price is less than or equal to the Return Threshold, and (Y) the Barrier Condition is not satisfied, and (Z) the Final Risk Price is less than or equal to the Risk Threshold, either:

- (i) if Downside Return 1 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \min \left( 0, \max \left[ \text{Gearing 2} \times \left( \frac{(\text{Final Risk Price} - \text{Initial Risk Price})}{\text{Initial Risk Price}} \right), -100\% \right] \right) \right)$$

OR

- (ii) if Downside Return 2 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \min \left( 0, \max \left[ \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(please note that if the Cap, Gearing 1 and/or Gearing 2 are specified as being Not Applicable in the applicable Pricing Supplement, the Cap shall be unlimited, the Gearing 1 shall be 100% and/or the Gearing 2 shall be 100% as applicable)

where:

"**Barrier Condition**" means in relation to the Risk Underlying:

- (a) if "**European**" is specified in the applicable Pricing Supplement, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Risk Underlying on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if "**American**" is specified in the applicable Pricing Supplement, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Pricing Supplement, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

"**Digital Return**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Return Price**" means the Final Share Price for the Return Underlying;

"**Final Risk Price**" means the Final Share Price for the Risk Underlying;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

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"**Gearing 2**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Initial Return Price**" means the Initial Share Price for the Return Underlying.

"**Initial Risk Price**" means the Initial Share Price for the Risk Underlying.

"**Lower Strike**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

"**Return Threshold**" means  $n$  per cent. of the Initial Return Price as specified in the applicable Pricing Supplement;

"**Return Underlying**" means the Share specified as such in the applicable Pricing Supplement;

"**Risk Threshold**" means  $n$  per cent. of the Initial Risk Price as specified in the applicable Pricing Supplement;

"**Risk Underlying**" means the Share specified as such in the applicable Pricing Supplement;

"**Upper Strike**", if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement; and

"**Upside Return**", if applicable, means a return determined in accordance with the provisions above.

11. **Dual Underlying Upside Notes with Capital at Risk**

A. ***Further Information relating to Upside Notes with Capital at Risk***

Dual Underlying Upside Notes with Capital at Risk are Multi Underlying Linked Notes. The return that an investor receives in relation to Dual Underlying Upside Notes with Capital at Risk is linked to the performance of two Underlyings, being any combination of single Shares, single Fund Interests, single Indices, Baskets of Indices, Baskets of Fund Interests and Baskets of Shares, as specified in the applicable Pricing Supplement, which in certain circumstances can result in the investor receiving a return that is less than par.

The Notes do not bear interest linked to the underlying, but may bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

B. ***Formula for determination of the Final Redemption Amount and other optional provisions relating to Dual Underlying Upside Notes with Capital at Risk***

Unless previously redeemed or repurchased in accordance with the Terms, the Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of a Note on its Maturity Date shall be determined by the Calculation Agent in accordance with the following formula:

- (a) if (X) the Final Return Price is greater than the Return Threshold and (Y) either (A) the Final Risk Price is greater than the Risk Threshold and/or (B) the Final Risk Price is equal to or less than the Risk Threshold and the Barrier Condition is satisfied):

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return, Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Return Price} - \text{Initial Return Price}}{\text{Initial Return Price}} \right) \right\} \right]$$

- (b) if (X) the Final Return Price is less than or equal to the Return Threshold and (Y) either (A) the Final Risk Price is greater than the Risk Threshold and/or (B) the Final Risk Price is equal to or less than the Risk Threshold and the Barrier Condition is satisfied):

$$\text{Specified Denomination} \times 100\%$$

- (c) if (X) the Final Return Price is greater than the Return Threshold and (Y) the Final Risk Price is less than or equal to the Risk Threshold and (Z) the Barrier Condition is not satisfied:

- (i) if Downside Return 1 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Max} \left\{ \text{Minimum Return, Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Return Price} - \text{Initial Return Price}}{\text{Initial Return Price}} \right) \right\} + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{\text{Final Risk Price} - \text{Initial Risk Price}}{\text{Initial Risk Price}} \right), -100\% \right] \right) \right)$$

**OR**

- (ii) if Downside Return 2 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Max} \left\{ \text{Minimum Return, Min} \left( \text{Cap, Gearing 1} \times \frac{\text{Final Return Price} - \text{Initial Return Price}}{\text{Initial Return Price}} \right) \right\} + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

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- (d) if (X) the Final Return Price is less than or equal to the Return Threshold and (Y) the Final Risk Price is less than or equal to the Risk Threshold and (Z) the Barrier Condition is not satisfied:

- (i) if Downside Return 1 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0, \text{Max} \left[ \text{Gearing 2} \times \left( \frac{(\text{Final Risk Price} - \text{Initial Risk Price})}{\text{Initial Risk Price}} \right), -100\% \right] \right) \right)$$

OR

- (ii) if Downside Return 2 is specified as being applicable in the applicable Pricing Supplement:

$$\text{Specified Denomination} \times \left( 100\% + \text{Min} \left( 0\%, \text{Max} \left[ \text{Gearing 2} \times (\text{Lower Strike} - \text{Upper Strike}), \text{Gearing 2} \times \left( \frac{\text{Final Risk Price}}{\text{Initial Risk Price}} - \text{Upper Strike} \right), -100\% \right] \right) \right)$$

(please note that if the Cap, Gearing 1, Gearing 2 and/or Minimum Return are specified as being Not Applicable in the applicable Pricing Supplement, the Cap shall be unlimited, the Gearing 1 shall be 100%, the Gearing 2 shall be 100% and Minimum Return shall be 0%, as applicable)

where:

"**Barrier Condition**" means in relation to the Risk Underlying:

- (a) if "**European**" is specified in the applicable Pricing Supplement, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on the Barrier Valuation Date, or if Barrier Averaging is specified as being applicable, that the arithmetic average of the prices of the Risk Underlying on each Barrier Averaging Date is greater than or equal to the Barrier Threshold;
- (b) if "**American**" is specified in the applicable Pricing Supplement, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold during the Barrier Observation Period; and
- (c) if "**Bermudan**" is specified in the applicable Pricing Supplement, that the price of the Risk Underlying is greater than or equal to the Barrier Threshold on each and every Barrier Observation Date,

where the price shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Barrier, in which case the price shall be monitored at all times on such date(s);

"**Cap**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

"**Downside Return 1**", if applicable, means a return determined in accordance with the provisions above;

"**Downside Return 2**", if applicable, means a return determined in accordance with the provisions above;

"**Final Return Price**" means the Final Share Price for the Return Underlying;

"**Final Risk Price**" means the Final Share Price for the Risk Underlying;

"**Gearing 1**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

"**Gearing 2**", if applicable, means *n* per cent., as specified in the applicable Pricing Supplement;

"**Initial Return Price**" means the Initial Share Price for the Return Underlying;

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**"Initial Risk Price"** means the Initial Share Price for the Risk Underlying;

**"Lower Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

**"Minimum Return"**, if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement;

**"Return Threshold"** means  $n$  per cent. of the Initial Return Price as specified in the applicable Pricing Supplement;

**"Return Underlying"** means the Share specified as such in the applicable Pricing Supplement;

**"Risk Threshold"** means  $n$  per cent. of the Initial Risk Price as specified in the applicable Pricing Supplement;

**"Risk Underlying"** means the Share specified as such in the applicable Pricing Supplement; and

**"Upper Strike"**, if applicable, means  $n$  per cent., as specified in the applicable Pricing Supplement.

**TERMS FOR EQUITY LINKED NOTES/INDEX LINKED NOTES/FUND LINKED  
NOTES/MULTI UNDERLYING LINKED NOTES**

The Pricing Supplement shall specify whether the "**Underlying**" in respect of the Equity Linked Note is a single Share or ETF or a Basket of Shares or ETFs, whether the Underlying in respect of the Index Linked Note is an Index or a Basket of Indices, whether the Underlying in respect of the Fund Linked Note is a Fund Interest or a Basket of Fund Interests, and, in the case of the Multi Underlying Linked Note, shall specify the combination of such Underlyings in respect of the Note.

1. **Definitions**

For the purposes of the terms and conditions of the Equity Linked Notes, Index Linked Notes, Fund Linked Notes, and Multi Underlying Linked Notes, the following terms shall have the meanings set out below:

**"Additional Disruption Event"** means:

- (a) in relation to an Equity Linked Note, Index Linked Note or a Multi Underlying Linked Note, a Change in Law, an Insolvency Filing, a Hedging Disruption and/or an Increased Cost of Hedging; and
- (b) in relation to a Fund Linked Note, a Change in Law, a Hedging Disruption and/or an Increased Cost of Hedging; and
- (c) in relation to an Equity Linked Note or Multi Underlying Linked Note, where the Underlying is comprised of a Share that is an ETF Share or a Basket which contains a Share that is an ETF Share, each of the events specified in (a) above, plus an ETF Modification, a Strategy Breach, a Regulatory Action and/or a Cross-contamination,

unless otherwise specified in the applicable Pricing Supplement, and as determined by the Calculation Agent;

**"Automatic Early Redemption Amount"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Pricing Supplement, an amount specified as such in the applicable Pricing Supplement;

**"Automatic Early Redemption Averaging"** means, if specified as being applicable in the applicable Pricing Supplement, that, for the purposes of determining whether an Automatic Early Redemption Event has occurred, the performance of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) will be determined on the basis of the arithmetic average of the Prices, Levels, Values or Fund Values of the Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) on certain Automatic Early Redemption Averaging Dates;

**"Automatic Early Redemption Averaging Date(s)"** means, as specified in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 7 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Pricing Supplement, or, if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be an Automatic Early Redemption Averaging Date; or
- (b) if Automatic Early Redemption Averaging Period is specified in the applicable Pricing Supplement as being applicable, each date in the Automatic Early Redemption Averaging Period;

**"Automatic Early Redemption Averaging End Date"** means the date specified as such in relation to the relevant Automatic Early Redemption Averaging Period in the applicable Pricing



Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Automatic Early Redemption Averaging Period"** means, as specified in the applicable Pricing Supplement, either:

- (a) each Scheduled Valuation Day in the period from and including the Automatic Early Redemption Averaging Start Date to and including the Automatic Early Redemption Averaging End Date; or
- (b) the Automatic Early Redemption Averaging End Date and such number of Scheduled Valuation Days preceding the Automatic Early Redemption Averaging End Date as specified in the applicable Pricing Supplement, provided that, if the scheduled Automatic Early Redemption Averaging End Date is not a Scheduled Valuation Day, the Automatic Early Redemption Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Automatic Early Redemption Averaging Start Date"** means the date specified as such in relation to the relevant Automatic Early Redemption Averaging Period in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below, (as applicable);

**"Automatic Early Redemption Date(s)"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Pricing Supplement, each of the date(s) specified as such in the applicable Pricing Supplement provided that if the scheduled Automatic Early Redemption Date is not a Business Day, the Automatic Early Redemption Date shall be the next following Business Day;

**"Automatic Early Redemption Event"** means:

- (a) if "Automatic Early Redemption Averaging" is specified in the applicable Pricing Supplement as being applicable, the arithmetic average of the Prices, Levels, Values or Fund Values (as applicable) of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on each Automatic Early Redemption Averaging Date is greater than the Automatic Early Redemption Threshold specified in the applicable Pricing Supplement; or
- (b) otherwise, that the price, level, value or Fund Value (as applicable) of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on the applicable Automatic Early Redemption Valuation Date, as determined by the Calculation Agent, is greater than the relevant Automatic Early Redemption Threshold specified in the applicable Pricing Supplement, where the price, level, value or Fund Value (as applicable) shall be determined as at the Valuation Time on the relevant date unless Constant Monitoring is specified as being applicable in respect of the Automatic Early Redemption Event, in which case the price shall be monitored at all times on such date;

**"Automatic Early Redemption Threshold(s)"** means, if "Automatic Early Redemption" is specified as being applicable, *n* per cent. as specified in the applicable Pricing Supplement;

**"Automatic Early Redemption Valuation Date(s)"** means, if "Automatic Early Redemption" is specified as being applicable in the applicable Pricing Supplement, each of the date(s) specified as such in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), or, if any originally scheduled Automatic Early Redemption Valuation Date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day for which Automatic Early Redemption Following Convention is specified as applicable in the relevant Pricing Supplement, the immediately following Scheduled Valuation Date;

**"Averaging Date(s)"** means each of the Automatic Early Redemption Averaging Date(s), the Barrier Averaging Date(s), the Interest Averaging Date(s), the Final Averaging Date(s) and the Initial Averaging Date(s);

**"Averaging Date Market Disruption"**, if applicable, means the procedures specified in the applicable Pricing Supplement for determining the consequence of an Averaging Date being a Disrupted Day, as described in Term 2 (*Disrupted Days*) below;

**"Averaging Period(s)"** means each of the Automatic Early Redemption Averaging Period(s), the Barrier Averaging Period(s), the Interest Averaging Period(s), the Final Averaging Period(s) and the Initial Averaging Period(s);

**"Barrier Averaging"** means, if specified as being applicable in the applicable Pricing Supplement, that, for the purposes of determining whether the Barrier Condition has been satisfied, the performance of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) will be determined on the basis of the arithmetic average of the Prices, Levels, Values or Fund Values (as applicable) of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on certain Barrier Averaging Dates;

**"Barrier Averaging Date(s)"** means, as specified in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Pricing Supplement, or, if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be a Barrier Averaging Date; or
- (b) if Barrier Averaging Period is specified in the applicable Pricing Supplement as being applicable, each date in the Barrier Averaging Period;

**"Barrier Averaging End Date"** means the date specified as such in relation to the relevant Barrier Averaging Period in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below, (as applicable);

**"Barrier Averaging Period"** means, as specified in the applicable Pricing Supplement, either:

- (a) each Scheduled Valuation Day in the period from and including the Barrier Averaging Start Date to and including the Barrier Averaging End Date; or
- (b) the Barrier Averaging End Date and such number of Scheduled Valuation Days preceding the Barrier Averaging End Date as specified in the applicable Pricing Supplement, provided that, if the scheduled Barrier Averaging End Date is not a Scheduled Valuation Day, the Barrier Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Barrier Averaging Start Date"** means the date specified as such in relation to the relevant Barrier Averaging Period in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Barrier Observation Dates"** means, as specified in the applicable Pricing Supplement, either:

- (a) (i) in respect of a Share or an Index, each Exchange Business Day, (ii) in respect of a Basket, each Exchange Business Day which is an Exchange Business Day in respect of each Share or Index in the such Basket, and (iii) in respect of a Fund Interest or Basket of Fund Interests, each Scheduled Valuation Day, in the period from and including the **"Barrier Observation Start Date"** specified in the applicable Pricing Supplement to and including the **"Barrier Observation End Date"** specified in the applicable Pricing Supplement (the **"Barrier Observation Period"**); or

- (b) each of the dates specified as such in the applicable Pricing Supplement, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be a Barrier Observation Date;

**"Barrier Threshold"** means  $n$  per cent. of the Initial Share Price, Initial Value, Initial Index Level or Initial Fund Value (as applicable) specified in the applicable Pricing Supplement;

**"Barrier Valuation Date"** means the date specified as such in the applicable Pricing Supplement, or if such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day, subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Basket"** means a basket composed of Shares, Indices or Fund Interests (as applicable) in the relative proportions and/or, in the case of Shares only, numbers of Shares of each Share Issuer, specified in the applicable Pricing Supplement;

**"Best Performing Fund Interest"** means, in respect of any Fund Business Day, the Fund Interest for which the Fund Value on such day divided by Initial Fund Value for such Fund Interest is highest, and, in respect of any Averaging Period, the Fund Interest for which the performance of the Fund Interest (as calculated on the basis of the arithmetic average of the Fund Value of the Fund Interest on each relevant Averaging Date) divided by Initial Fund Value for such Fund Interest is highest;

**"Best Performing Index"** means, in respect of any Exchange Business Day, the Index for which the Level of the Index on such day divided by Initial Index Level for such Index is highest, and, in respect of any Averaging Period, the Index for which the performance of the Index (as calculated on the basis of the arithmetic average of the Level of the Index on each relevant Averaging Date) divided by Initial Index Level for such Index is highest;

**"Best Performing Share"** means, in respect of any Exchange Business Day, the Share for which the Price of the Share on such day divided by Initial Share Price for such Share is highest, and, in respect of any Averaging Period, the Share for which the performance of the Share (as calculated on the basis of the arithmetic average of the Price of the Share on each relevant Averaging Date) divided by Initial Share Price for such Share is highest;

**"Change in Law"** means that, on or after the Issue Date (or as otherwise set forth in the applicable Pricing Supplement) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of any Shares or Fund Interests, or (Y) the Issuer and/or any of its affiliates will incur a materially increased cost in holding, acquiring or disposing of any Shares or Fund Interests and/or performing its obligations under the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

**"Component Fund Value Differential"** means, in respect of each Fund Interest comprising a Basket and the relevant Valuation Date and/or Averaging Date, a percentage determined by the Calculation Agent by dividing the Value of such Fund Interest on such Valuation Date and/or Averaging Date by the Initial Fund Value;

**"Component Index Level Differential"** means, in respect of each Index comprising a Basket and the relevant Valuation Date and/or Averaging Date, a percentage determined by the Calculation Agent by dividing the Level of such Index on such Valuation Date and/or Averaging Date by the Initial Index Level;

**"Component Price Differential"** means, in respect of each Share comprising a Basket and the relevant Valuation Date and/or Averaging Date, a percentage determined by the Calculation Agent

by dividing the Price for such Share on such Valuation Date and/or Averaging Date by the Initial Price;

**"Cross-contamination"** means, in respect of an ETF Share and the related ETF, the occurrence of a cross-contamination or other failure to segregate effectively assets between different classes, series or sub-funds of such ETF, and such event continues, in the determination of the Calculation Agent, for the foreseeable future;

**"Delayed Payment Cut-off Date"** has the meaning given in the applicable Pricing Supplement or, if not so specified, the date falling two calendar years after the originally designated Final Redemption Valuation Date, Automatic Early Redemption Valuation Date or any date on which the Notes are designated by the Issuer to redeem early;

**"Delisting"** means that an Exchange announces that pursuant to its rules the Share or one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Calculation Agent;

**"Disrupted Day"** means:

- (a) in respect of an Index, any Scheduled Valuation Day on which (i) if **"Multi-Exchange Index"** is specified in the applicable Pricing Supplement, the relevant Index Sponsor fails to publish the level of the relevant Index or, if **"Non Multi-Exchange Index"** is specified in relation to that Index in the applicable Pricing Supplement, the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred, all as determined by the Calculation Agent;
- (b) in respect of a Basket of Indices, any day which is a Disrupted Day in respect of any Index comprising the Basket;
- (c) in respect of a Share, any Scheduled Valuation Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred, all as determined by the Calculation Agent; and
- (d) in respect of a Basket of Shares, any day which is a Disrupted Day in respect of any Share comprising the Basket;

**"Early Closure"** means, in respect of a Share or an Index (as applicable), the closure on any Scheduled Valuation Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Scheduled Valuation Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Scheduled Valuation Day, all as determined by the Calculation Agent;

**"ETF"** means, in respect of an ETF Share, the issuer of such ETF Share;

**"ETF Administrator"** means, in respect of an ETF Share and the related ETF, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such ETF in respect of such ETF Share according to the ETF Documents of such ETF and such ETF Share;

**"ETF Adviser"** means, in respect of an ETF Share and the related ETF, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a

non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) to such ETF in respect of such ETF Share, or any successor;

**"ETF Modification"** means, in respect of an ETF Share and the related ETF, any change or modification of the Fund Documents of such ETF in respect of such ETF Share which could reasonably be expected to affect (i) the value of such ETF Share; or (ii) the rights or remedies of any holder of any ETF Share as compared with those rights and remedies prevailing on the Issue Date;

**"ETF Service Provider"** means, in respect of an ETF Share and the related ETF, any person who is appointed to provide services, directly or indirectly, for such ETF in respect of such ETF Share, whether or not specified in the relevant Fund Documents or any successor, including, without limitation, any ETF Administrator, ETF Adviser, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent;

**"ETF Share"** means an ETF share specified in the applicable Pricing Supplement;

**"Exchange(s)"** means,

- (a) in respect of an Index, if **"Non Multi-Exchange Index"** is specified in relation to that Index in the applicable Pricing Supplement, the Exchange specified for such Index in the applicable Pricing Supplement and, if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Pricing Supplement, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange); and
- (b) in respect of a Share, the Exchange specified for such Share in the applicable Pricing Supplement or otherwise the principal stock exchange on which such Share is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange);

**"Exchange Business Day"** means, in respect of a Share or an Index (as applicable), any Scheduled Valuation Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time, as determined by the Calculation Agent;

**"Exchange Disruption"** means:

- (a) in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (x) if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Pricing Supplement any security comprised in such Index on any relevant Exchange and (y) if **"Non Multi-Exchange Index"** is specified in relation to that Index in the applicable Pricing Supplement, securities that comprise 20 per cent. or more of the level of such Index on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange; and
- (b) in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to

effect transactions in, or obtain market values for, such Share on the relevant Exchange or  
(ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange;

**"Extraordinary Dividend"** means, in respect of a Share, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Calculation Agent;

**"Extraordinary Fund Event"** means, in relation to a Fund, the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

- (a) the Fund or any Fund Service Provider: (i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable); (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) 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; (vi) 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 immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above;
- (b) the occurrence of a Fund Merger Event or Fund Tender Offer;
- (c) there exists any litigation against the Fund or a Fund Service Provider which in the sole and absolute discretion of the Calculation Agent could materially affect the value of the Fund Interests or the rights or remedies of any investor in such Fund Interests;
- (d) (i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings are commenced or are threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the sole and absolute discretion of the Calculation Agent, materially affect the value of the Fund Interests or the rights or remedies of any investor in such Fund Interests;
- (e) (i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider

to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Interests or on the rights or remedies of any investor in such Fund Interests;

- (f) one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (g) a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests), from those set out in the Fund Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- (h) a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the Fund invests, or (ii) the Fund purports to track;
- (i) a material modification, or any announcement regarding a potential future material modification, of the Fund (including, but not limited to, a material modification of the Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Interests or the Fund or any portfolio of assets to which the Fund Interest relates (either alone or in common with other Fund Interests issued by the Fund);
- (j) the creation by the Fund of any illiquid share class or unit howsoever described;
- (k) the currency denomination of the Fund Interests is amended from that set out in the Fund Documents so that the NAV per Fund Interest is no longer calculated in the same currency as it was as at the Trade Date;
- (l) if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;
- (m) following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Securities;
- (n) a material modification of the method of calculating the NAV per Fund Interest;
- (o) any change in the periodicity of the calculation or the publication of the NAV per Fund Interest;
- (p) any suspension of the calculation or publication of the NAV per Fund Interest;
- (q) the occurrence of any event affecting a Fund Interest that, in the sole and absolute discretion of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the NAV per Fund Interest;
- (r) any of the Fund, any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Interest within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;

- (s) any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Interest when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents);
- (t) the assets under management of the Fund fall below the Minimum AUM Level;
- (u) (i) the Calculation Agent determines, at any time, that the NAV per Fund Interest is inaccurate, or (ii) the reported net asset value of the Fund Interests misrepresents the net asset value of the Fund Interests;
- (v) a NAV Trigger Event occurs;
- (w) (i) in the case of a Hedge Fund only, the audited net asset value of the Fund and/or the NAV per Fund Interest is different from the audited net asset value of the Fund and/or the NAV per Fund Interest communicated by the relevant Fund Service Provider in respect of the same date, (ii) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (iii) the Calculation Agent, in its sole and absolute discretion, does not deem the audited net asset value of the Fund to be representative of the actual net asset value of the Fund;
- (x) any failure of the Fund, or its authorised representative, to deliver or publish, or cause to be delivered or published, (i) information that the Fund has agreed to deliver or publish, or agreed to cause to be delivered or published, to the Calculation Agent or Hedge Provider, or (ii) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Interest;
- (y) any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;
- (z) (i) any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Fund is required by a competent authority to redeem any Fund Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Interests held in connection with any hedging arrangements relating to the Notes and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund Interests or other activities or undertakings of the Fund or on the rights or remedies of any investor in such Fund Interests, including any Hedge Provider; or
- (aa) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Interests (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), (ii) the Fund suspends or refuses transfers of any of its Fund Interests (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting



the Fund to delay or refuse redemption or transfer of Fund Interests), (iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption *in specie*), charge or fee in respect of a redemption or subscription of its Fund Interests by the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Interests, if in any case it could, in the sole and absolute determination of the Calculation Agent, have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, or (iv) a mandatory redemption, in whole or in part, of the Fund Interests is imposed by the Fund on any one or more holders of Fund Interests at any time for any reason.

For the purposes of the foregoing:

**"Fund"** shall have the meaning given to it below in the definition of "Fund" and include any fund in which such Fund invests any of its investible assets from time to time; and

**"Fund Interests"** shall have the meaning defined in "Fund Interest(s)" and the shares or units in any Fund;

**"Extraordinary Fund Event Effective Date"** means, in respect of an Extraordinary Fund Event, the date on which such Extraordinary Fund Event occurs, or has occurred, as determined by the Calculation Agent in its sole and absolute discretion;

**"Final Averaging"** means, if specified as being applicable in the applicable Pricing Supplement, that the Final Share Price, Final Index Level, Final Fund Value or Final Value (as applicable) of the relevant Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests will be determined on the basis of the arithmetic average of Prices, Levels or Values (as applicable) of such Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on certain Final Averaging Dates;

**"Final Averaging Date(s)"** means, as specified in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Pricing Supplement, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be a Final Averaging Date; or
- (b) if Final Averaging Period is specified in the applicable Pricing Supplement as being applicable, each date in the Final Averaging Period;

**"Final Averaging End Date"** means the date specified as such in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Final Averaging Period"** means, as specified in the applicable Pricing Supplement, either:

- (a) each Scheduled Valuation Day in the period from and including the Final Averaging Start Date to and including the Final Averaging End Date; or
- (b) the Final Averaging End Date and such number of Scheduled Valuation Days preceding the Final Averaging End Date as specified in the applicable Pricing Supplement, provided that, if the scheduled Final Averaging End Date is not a Scheduled Valuation Day, the Final Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Final Averaging Start Date"** means the date specified as such in relation to the Final Averaging Period in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Final Component Fund Value Differential"** means, in respect of each Fund Interest

comprising a Basket, a percentage determined by the Calculation Agent by dividing the Final Fund Value by the Initial Fund Value for such Fund Interest;

**"Final Component Index Level Differential"** means, in respect of each Index comprising a Basket, a percentage determined by the Calculation Agent by dividing the Final Index Level by the Initial Index Level for such Index;

**"Final Component Price Differential"** means, in respect of each Share comprising a Basket, a percentage determined by the Calculation Agent by dividing the Final Price by the Initial Price for such Share;

**"Final Fund Redemption Valuation Date"** means the last Fund Business Day prior to the Maturity Date on which a Hypothetical Investor could have validly submitted a redemption application for value on the Maturity Date, subject to postponement due to an Extraordinary Fund Event, as determined by the Calculation Agent;

**"Final Fund Value"** means:

- (a) in respect of a Fund Interest (i) if Final Averaging is specified as applicable in the applicable Pricing Supplement, the arithmetic average of the Fund Values of the Fund Interest each Final Averaging Date or, (ii) if **"Best Strike"** is applicable the highest Fund Value determined by the Calculation Agent during the period from and including the **"Redemption Level Start Date"** to and including the **"Redemption Level End Date"** each as specified in the applicable Pricing Supplement, or (iii) otherwise the Fund Value of the Fund Interest on the Final Fund Redemption Valuation Date, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Fund Interests, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Fund Interests, the Initial Fund Value of such Basket multiplied by the weighted average of Final Component Fund Value Differentials for each Fund Interest comprising such Basket as determined by the Calculation Agent;

**"Final Index Level"** or **"FIL"** means:

- (a) in respect of an Index, (i) if Final Averaging is specified as applicable in the applicable Pricing Supplement, the arithmetic average of the levels of the Index as calculated and published by the Index Sponsor at the Valuation Time on each Final Averaging Date, (ii) if **"Best Strike"** is applicable the highest level of the relevant Index published by the Index Sponsor as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if **"Constant Monitoring"** is applicable, at any time on each Scheduled Valuation Day, in the period from and including the **"Redemption Level Start Date"** to and including the **"Redemption Level End Date"** each as specified in the applicable Pricing Supplement, or (iii) otherwise the level of the relevant Index at the Valuation Time on the Final Redemption Valuation Date, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Indices, subject to Term 3 (*Best of/Worst of Provisions*), Initial Index Level multiplied by the weighted average of Final Component Index Level Differentials for each Index comprising such Basket as determined by the Calculation Agent;

**"Final Redemption Valuation Date"** means (i) the date (if any) specified as such in the applicable Pricing Supplement; or (ii) in respect of a Fund Interest, a Final Fund Redemption Valuation Date, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable) or, if such date is not a Scheduled Valuation Day in respect of the relevant Underlying, the immediately preceding Scheduled Valuation Day;

**"Final Share Price"** or **"FSP"** means, in respect of a Share (i) if Final Averaging is applicable, (a) the arithmetic average of the prices of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on each Final Averaging Date, (ii) if **"Best Strike"** is applicable, the highest price of one such Share quoted on the Exchange as of: (A) the Valuation Time on each

Scheduled Valuation Day or (B) if "**Constant Monitoring**" is applicable, at any time on each Scheduled Valuation Day, in the period from and including the "**Redemption Level Start Date**" to and including the "**Redemption Level End Date**" each as specified in the applicable Pricing Supplement, or (iii) otherwise, the price of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on the Final Redemption Valuation Date, as determined by the Calculation Agent;

"**Final Value**" or "**FV**" means, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Shares, Initial Value multiplied by the weighted average of Final Component Price Differentials for each Share comprising such Basket as determined by the Calculation Agent;

"**Fund**" means each Mutual Fund, Hedge Fund or Private Equity Fund as specified in the applicable Pricing Supplement;

"**Fund Business Day**" means:

- (a) in respect of a single Fund Interest, a date (i) that is a Scheduled Valuation Day and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Interests executed at the NAV per Fund Interest published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Scheduled Valuation Day;
- (b) in respect of a Basket of Fund Interests, a date (i) that is a Scheduled Valuation Day, for all Fund Interests comprised in the Basket and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for each such Fund Interest executed at the NAV per Fund Interest published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Scheduled Valuation Day;

"**Fund Documents**" means:

- (a) in respect of any Fund Interest, the offering document of the relevant Fund in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such Fund Interest and, for the avoidance of doubt, any other documents or agreements in respect of the Fund, as further described in any Fund Document; or
- (b) in respect of an ETF Share and the related ETF, the constitutive and governing documents of such ETF in respect of such ETF Share, and the subscription agreements and other agreements, in each case, relating to such ETF Shares and as amended from time to time;

"**Fund Interest(s)**" means an ownership interest issued to or held by an investor in a Fund or any other interest specified as such in the applicable Pricing Supplement;

"**Fund Merger Event**" means, in respect of any relevant Shares and Entity (as defined below), any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such Entity is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of an Entity that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity or its subsidiaries with or into another entity in which the Entity is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Extraordinary Fund Event Effective Date, as determined by the Calculation Agent, is on or before the Final Redemption Valuation Date. For the purposes of this definition only, "**Shares**" shall mean the applicable Fund

Interests or the shares of any applicable Fund Service Provider, as the context may require, and "**Entity**" shall mean the applicable ETF or any applicable Fund Service Provider, as the context may require;

"**Fund Service Provider**" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, in respect of such Fund, whether or not specified in the Fund Documents, including any adviser, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Pricing Supplement;

"**Fund Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"**Fund Value**" means:

- (a) in respect of a Fund Interest, on any Fund Business Day, an amount determined by the Calculation Agent as the net redemption proceeds per Fund Interest that would have been received as of such Fund Business Day by a Hypothetical Investor in the Fund had such Hypothetical Investor provided a timely notice in accordance with the terms and conditions of the Fund to the Fund and any other party necessary to effect a redemption (or other disposition) of an investment in the Fund for such Fund Business Day (such redemption, a "**Hypothetical Investor Redemption**") net of any Related Costs; and
- (b) means, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Fund Interests and the relevant Valuation Date and/or Averaging Date, Initial Fund Value multiplied by the weighted average of Component Fund Value Differentials for each Fund Interest comprising such Basket as determined by the Calculation Agent;

"**Hedge Fund**" means the hedge fund(s) specified as such in the applicable Pricing Supplement;

"**Hedge Provider**" means the party (being, *inter alios*, the Issuer, the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or, where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Interests as it (or, in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes;

"**Hedging Disruption**" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity/index/fund interest price risk or in respect of the Issuer performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

"**Hypothetical Investor**" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in a Fund Interest which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding a Fund Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity/index/fund interest price risk of the Issuer performing its obligations with respect to the Equity Linked/Fund Linked/Index Linked/Multi Underlying Linked Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or any of its affiliates shall not be deemed an Increased Cost of Hedging;

**"Index"** means an index specified in the applicable Pricing Supplement or any Successor thereto, and in respect of a Basket, means one of the indices specified in the definition of Basket or any Successor Index, and **"Indices"** means all such indices together;

**"Index Cancellation"** means, in respect of an Index, the Index Sponsor in respect of such Index cancels the Index and no Successor Index exists;

**"Index Disruption"** means, in respect of an Index, the Index Sponsor in respect of such Index fails to calculate and announce the Level of the Index;

**"Index Modification"** means, in respect of an Index, the relevant Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating such Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalisation and other routine events);

**"Index Sponsor"** means, in respect of an Index, either (x) the index sponsor specified in the applicable Pricing Supplement or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Valuation Day failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the applicable Pricing Supplement, then the corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Valuation Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person;

**"Initial Averaging"** means, if specified as being applicable in the applicable Pricing Supplement, that the Initial Share Price, Initial Value, Initial Fund Value or Initial Index Level (as applicable) will be determined on the basis of the arithmetic average of Prices, Levels, Values or Fund Values (as applicable) of the Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on certain Initial Averaging Dates;

**"Initial Averaging Date(s)"** means, as specified in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Pricing Supplement, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be an Initial Averaging Date; or
- (b) if Initial Averaging Period is specified in the applicable Pricing Supplement as being applicable, each date in the Initial Averaging Period;

**"Initial Averaging End Date"** means the date specified as such in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Initial Averaging Period"** means, as specified in the applicable Pricing Supplement, either:

- (a) each Scheduled Valuation Day in the period from and including the Initial Averaging Start Date to and including the Initial Averaging End Date; or
- (b) the Initial Averaging End Date and such number of Scheduled Valuation Days preceding the Initial Averaging End Date as specified in the applicable Pricing Supplement, provided that, if the scheduled Initial Averaging End Date is not a Scheduled Valuation Day, the Initial Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Initial Averaging Start Date"** means the date specified as such in relation to the Initial Averaging Period in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Initial Fund Value"** means:

- (a) in respect of a Fund Interest (i) if Initial Averaging is applicable, the arithmetic average of the Fund Value of the Fund Interest each Initial Averaging Date or, (ii) if **"Best Strike"** is applicable the highest Fund Value determined by the Calculation Agent during the period from and including the **"Strike Start Date"** to and including the **"Strike End Date"** each as specified in the applicable Pricing Supplement, or (iii) otherwise the Fund Value of the Fund Interest on the Strike Date, as determined by the Calculation Agent; and
- (b) in respect of a Basket of Fund Interests, subject to Term 3 (*Best of/Worst of Provisions*), the weighted average of the Initial Fund Values of each of the Fund Interests constituting the Basket, as determined by the Calculation Agent;

**"Initial Index Level"** means:

- (a) in respect of an Index, (i) if Initial Averaging is applicable, the arithmetic average of the levels of the relevant Index as calculated and published by the Index Sponsor at the Valuation Time on each Initial Averaging Date, (ii) if **"Best Strike"** is applicable the lowest level of the relevant Index published by the Index Sponsor as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if **"Constant Monitoring"** is applicable, at any time on each Scheduled Valuation Day, in the period from and including the **"Strike Start Date"** to and including the **"Strike End Date"** each as specified in the applicable Pricing Supplement, (iii) the Initial Index Level specified in the Pricing Supplement or (iv) otherwise the level of the relevant Index at the Valuation Time on the Strike Date, as determined by the Calculation Agent and specified in the applicable Pricing Supplement; and
- (b) in respect of a Basket of Indices, unless otherwise specified in the Pricing Supplement, subject to Term 3 (*Best of/Worst of Provisions*), the weighted average of the Initial Index Levels of the Indices constituting the Basket, as determined by the Calculation Agent.

**"Initial Share Price"** means in respect of a Share (i) if Initial Averaging is applicable, the arithmetic average of the Prices of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on each Initial Averaging Date, (ii) if **"Best Strike"** is applicable, the lowest price of one such Share in the Share Currency quoted on the Exchange as of: (A) the Valuation Time on each Scheduled Valuation Day or (B) if **"Constant Monitoring"** applicable, at any time on each Scheduled Valuation Day, in the period from and including the **"Strike Start Date"** to and including the **"Strike End Date"** each as specified in the applicable Pricing Supplement, (iii) the Initial Share Price specified in the Pricing Supplement or (iv) otherwise, the price of one such Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date, as determined by the Calculation Agent;

**"Initial Value"** means, unless otherwise specified in the Pricing Supplement, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Shares, the weighted average of the Initial Share Prices of the Shares constituting the Basket, as determined by the Calculation Agent;

**"Insolvency"** means, in respect of a Share Issuer or ETF (as applicable), that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer or ETF (as applicable), (A) all the Shares of such Share Issuer or ETF (as applicable) are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer or ETF (as applicable) become legally prohibited from transferring them, all as determined by the Calculation Agent;

**"Insolvency Filing"** means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition;

**"Interest Amount"** means the amount specified in the applicable Pricing Supplement;

**"Interest Amount Threshold"** means *n* per cent. of the Initial Share Price, Initial Value, Initial Index Level or Initial Fund Value (as applicable) specified in the applicable Pricing Supplement;

**"Interest Averaging"** means, if specified as being applicable in the applicable Pricing Supplement, for the purposes of determining whether an Interest Amount Event has occurred, the performance of the Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests (as applicable) will be determined on the basis of the arithmetic average of Prices, Levels or Values (as applicable) of the Share, Index, Fund Interest, Basket of Shares, Basket of Indices or Basket of Fund Interests on certain Interest Averaging Dates;

**"Interest Averaging Date(s)"** means, as specified in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable), either:

- (a) each of the dates specified as such in the applicable Pricing Supplement, or, if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be an Interest Averaging Date; or
- (b) if Initial Averaging Period is specified in the applicable Pricing Supplement as being applicable, each date in the Initial Averaging Period;

**"Interest Averaging End Date"** means the date specified as such in relation to the relevant Interest Averaging Period in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Interest Averaging Period"** means, as specified in the applicable Pricing Supplement, either:

- (a) each Scheduled Valuation Day in the period from and including the Interest Averaging Start Date to and including the Interest Averaging End Date; or
- (b) the Interest Averaging End Date and such number of Scheduled Valuation Days preceding the Interest Averaging End Date as specified in the applicable Pricing Supplement, provided that, if the scheduled Interest Averaging End Date is not a Scheduled Valuation Day, the Interest Averaging End Date shall be the immediately preceding Scheduled Valuation Day;

**"Interest Averaging Start Date"** means the date specified as such in relation to the relevant Interest Averaging Period in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Interest Observation Dates"** means, as specified in the applicable Pricing Supplement, either:

- (a) (i) in respect of a Share or an Index, each Exchange Business Day, (ii) in respect of a Basket, each Exchange Business Day which is an Exchange Business Day in respect of each Share or Index in the such Basket, and (iii) in respect of a Fund Interest or Basket of Fund Interests, each Scheduled Valuation Day from and including the **"Interest Observation Start Date"** specified in the applicable Pricing Supplement to and including the **"Interest Observation End Date"** specified in the applicable Pricing Supplement (the **"Interest Observation Period"**); or
- (b) each of the dates specified as such in the applicable Pricing Supplement, or if any such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day which is not already specified or deemed to be an Interest Observation Date;

**"Interest Valuation Date"** means the date specified as such in the applicable Pricing Supplement, or if such date is not a Scheduled Valuation Day in relation to the relevant Underlying, the immediately preceding Scheduled Valuation Day, subject in each case to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable);

**"Level"** means:

- (a) in respect of an Index, on any relevant Exchange Business Day, the level of the Index, as calculated and published by the Index Sponsor at the Valuation Time on such Exchange Business Day; and
- (b) in respect of a Basket of Indices and the relevant Valuation Date and/or Averaging Date, subject to Term 3 (*Best of/Worst of Provisions*), Initial Index Level multiplied by the weighted average of Component Index Level Differentials for each Index comprising such Basket as determined by the Calculation Agent.

**"Market Disruption Event"** means:

- (a) in respect of an Index, the occurrence or existence on any Scheduled Valuation Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, **provided that**, if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Pricing Supplement, the securities comprised in the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent, all as determined by the Calculation Agent; and
- (b) in respect of a Share, the occurrence or existence on any Scheduled Valuation Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, all as determined by the Calculation Agent;



**"Merger Date"** means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

**"Merger Event"** means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or ETF (as applicable) with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer or ETF (as applicable) is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the relevant Share Issuer or ETF (as applicable) that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant ETF or Share Issuer or its subsidiaries (as applicable) with or into another entity in which such Share Issuer or ETF (as applicable) is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Final Redemption Valuation Date (or such other date as may be specified in the applicable Pricing Supplement), all as determined by the Calculation Agent;

**"Minimum AUM Level"** has the meaning given to it in the applicable Pricing Supplement or, if not so specified, with respect to: (i) a Mutual Fund, EUR 50,000,000; (ii) a Hedge Fund, EUR 50,000,000; or (iii) a Private Equity Fund, EUR 50,000,000, or the equivalent in any other currency;

**"Mutual Fund"** means the mutual fund(s) specified as such in the applicable Pricing Supplement;

**"Nationalisation"** means (i) in respect of an ETF, that all the ETF Shares of such ETF or all the assets or substantially all the assets of such ETF; or (ii) in respect of a Share Issuer, that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof, as determined by the Calculation Agent;

**"NAV per Fund Interest"** means, with respect to the relevant Fund Interests and a Fund Business Day, (i) the net asset value per Fund Interest as of the related Automatic Early Redemption Averaging Date or Final Redemption Valuation Date (as applicable), as reported by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service, or (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Interests, the net asset value per Fund Interest calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Interests divided by the number of Fund Interests issued and outstanding as of the related valuation date (as applicable);

**"NAV Trigger Event"** means, in respect of the Fund Interests, that (i) the NAV per Fund Interest has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;

**"NAV Trigger Percentage"** means the percentage specified in the applicable Pricing Supplement or, if not so specified, with respect to: (i) a Mutual Fund, 50 per cent.; (ii) a Hedge Fund, 50 per cent.; or (iii) a Private Equity Fund, 50 per cent.;

**"NAV Trigger Period"** means the period specified in the applicable Pricing Supplement or, if not so specified, the period from and including the Issue Date to and including the Final Redemption Valuation Date;

**"New Shares"** means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations, all as determined by the Calculation Agent;

**"Number of NAV Publication Days"** means five Scheduled Valuation Days in relation to the relevant Fund;

**"Observation Date"** means each Interest Observation Date and Barrier Observation Date;

**"Other Consideration"** means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party);

**"Potential Adjustment Event"** means any of the following: a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue; a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer or ETF (as applicable) equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer or ETF (as applicable) as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent; an Extraordinary Dividend; a call by a Share Issuer or ETF (as applicable) in respect of relevant Shares that are not fully paid; a repurchase by a Share Issuer or ETF (as applicable) or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; with respect to a Share Issuer or ETF (as applicable), an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer or ETF (as applicable) (**provided that** any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket, all as determined by the Calculation Agent;

**"Price"** means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on such Exchange Business Day;

**"Private Equity Fund"** means the private equity fund(s) specified as such in the applicable Pricing Supplement;

**"Redemption Amount"** means the Automatic Early Redemption Amount or the Final Redemption Amount;

**"Regulatory Action"** means, in respect of an ETF Share and the related ETF, (i) the cancellation, suspension, revocation of the registration or approval of such ETF or such ETF Share by any governmental, legal or regulatory entity with authority over such ETF or such ETF Share; (ii) any

change in the legal, tax, accounting or regulatory treatment of such ETF Share, such ETF or its ETF Adviser which is reasonably likely, in the determination of the Calculation Agent, to have an adverse impact on the value of such ETF Share or on any investor in such ETF Share; or (iii) such ETF or any of its ETF Administrator or its ETF Adviser becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activity relating to or resulting from the operation of such ETF, ETF Administrator or ETF Adviser;

**"Related Costs"** means, in connection with a Hypothetical Investor Redemption and in each case as determined by the Calculation Agent, (i) all accrued management, load, administrative and other per Fund Interest fees, costs, expenses, levies, or adjustments; (ii) all taxes and duties which may be withheld or applied by the Fund (including any potential taxes and duties which the Calculation Agent considers may arise); and (iii) all other taxes and duties in respect of the Fund which would otherwise be required to be paid (including any potential taxes and duties which the Calculation Agent considers may arise);

**"Related Exchange"** means:

- (a) in respect of an Index, each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the relevant Index on such temporary substitute exchange or quotation system as on the original Related Exchange); and
- (b) in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or such other options or futures exchange(s) as the Issuer shall (acting on the instructions of the Calculation Agent) select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (**provided that** the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange),

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

**"Scheduled Valuation Day"** means:

- (a) in respect of an Index, (i) if **"Multi-Exchange Index"** is specified in relation to that Index in the applicable Pricing Supplement, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if **"Non Multi-Exchange Index"** is specified in the applicable Pricing Supplement, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session, notwithstanding the relevant Exchange(s) or any relevant Related Exchange(s) closing prior to its/their Scheduled Closing Time, as determined by the Calculation Agent;
- (b) in respect of a Basket of Indices, any day which is a Scheduled Valuation Day in respect of each Index comprising the Basket;
- (c) in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions,

notwithstanding the relevant Exchange(s) or any relevant Related Exchange(s) closing prior to its/their Scheduled Closing Time, as determined by the Calculation Agent;

- (d) in respect of a Basket of Shares, any day which is a Scheduled Valuation Day in respect of each Share comprising the Basket;
- (e) in respect of a Fund Interest, any date as of which, in accordance with the Fund Documents, the Fund (or the Fund Service Provider that generally determines such value) is or, but for the occurrence of an Extraordinary Fund Event, would have been scheduled to determine the NAV per Fund Interest; and
- (f) in respect of a Basket of Fund Interests, any day which is a Scheduled Valuation Day in respect of each Fund Interest comprising the Basket;

**"Share"** means a share or ETF Share as specified in the applicable Pricing Supplement and in respect of a Basket, means one of the shares or ETF Shares (as applicable) specified in the definition of Basket, and **"Shares"** or **"ETF Shares"** means all such shares together;

**"Share Currency"** has the meaning given to it in the applicable Pricing Supplement;

**"Share Issuer"** has the meaning given to it in the applicable Pricing Supplement;

**"Strategy Breach"** means, in respect of an ETF Share and the related ETF, any breach or violation of any strategy or investment guidelines stated in the Fund Documents of such ETF in respect of such ETF Share which is reasonably likely, in the determination of the Calculation Agent, to affect: (i) the value of such ETF Share; or (ii) the rights or remedies of any holder of any such ETF Share as compared with those rights or remedies prevailing on the Issue Date;

**"Strike Date"** means the date specified as such (if any) in the applicable Pricing Supplement, subject to adjustment in accordance with Term 2 (*Disrupted Days*) or Term 8 (*Adjustments in respect of Funds*) below (as applicable) or, if such date is not a Scheduled Valuation Day in respect of the relevant Underlying, the next following Scheduled Valuation Day;

**"Successor Index"** means, in respect of an Index, where such Index is (i) not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor;

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

**"Tender Offer Date"** means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent);

**"Trade Date"** has the meaning given to it in the applicable Pricing Supplement;

**"Trading Disruption"** means:

- (a) in respect of an Index, any suspension of or limitation imposed on trading by a relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise (i) if **"Multi-Exchange Index"** is specified in relation to that Index in the

applicable Pricing Supplement, on any relevant Exchange(s) relating to any security comprised in the relevant Index or, if "**Non Multi-Exchange Index**" is specified in relation to that Index in the applicable Pricing Supplement, on the Exchange relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange, all as determined by the Calculation Agent; and

- (b) in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange, all as determined by the Calculation Agent,

**"Valuation Date"** means, for purposes of Term 2 (*Disrupted Days*) only, each Automatic Early Redemption Valuation Date, each Interest Valuation Date, each Barrier Valuation Date and the Final Redemption Valuation Date;

**"Valuation Time"** means on the relevant Valuation Date, Averaging Date or Observation Date, as the case may be, the time specified as such in the applicable Pricing Supplement or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date in relation to the relevant Share or Index (as applicable). If a relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to Term 2 (*Disrupted Days*) below) the Valuation Time shall be such actual closing time;

**"Value"** means, subject to Term 3 (*Best of/Worst of Provisions*), in respect of a Basket of Shares and the relevant Valuation Date and/or Averaging Date, Initial Value multiplied by the weighted average of Component Price Differentials for each Share comprising such Basket as determined by the Calculation Agent;

**"Worst Performing Fund Interest"** means, in respect of any Scheduled Valuation Day, the Fund Interest for which the Fund Value on such day divided by Initial Fund Value for such Fund Interest is lowest, and, in respect of any Averaging Period, the Fund Interest for which the performance of the Fund Interest (as calculated on the basis of the arithmetic average of the Fund Value of the Fund Interest on each relevant Averaging Date) divided by Initial Fund Value for such Fund Interest lowest;

**"Worst Performing Index"** means, in respect of any Scheduled Valuation Day, the Index for which the Level of the Index on such day divided by Initial Index Level for such Index is lowest, and, in respect of any Averaging Period, the Index for which the performance of the Index (as calculated on the basis of the arithmetic average of the Level of the Index on each relevant Averaging Date) divided by Initial Index Level for such Index is lowest;

**"Worst Performing Share"** means, in respect of any Scheduled Valuation Day, the Share for which the Price of the Share on such day divided by Initial Share Price for such Share is lowest, and, in respect of any Averaging Period, the Share for which the performance of the Share (as calculated on the basis of the arithmetic average of the Price of the Share on each relevant Averaging Date) divided by Initial Share Price for such Share is lowest.

## 2. **Disrupted Days**

- 2.1 If the Calculation Agent determines that the Strike Date, any Valuation Date or any Observation Date, as the case may be, in respect of the relevant Underlying is a Disrupted Day, then the Strike Date, such Valuation Date, or such Observation Date, as the case may be, in respect of such Underlying only shall be the first succeeding Scheduled Valuation Day in respect of such Underlying that is not a Disrupted Day, unless each of the eight Scheduled Valuation Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, such Valuation Date or such

Observation Date, as the case may be, in respect of such Underlying is a Disrupted Day. In that case:

- (a) that eighth Scheduled Valuation Day shall be deemed to be the Strike Date, such Valuation Date or such Observation Date, as the case may be, in respect of such Underlying notwithstanding the fact that such day is a Disrupted Day in respect of such Underlying; and
- (b) the Calculation Agent shall determine:
  - (i) in respect of an Index, the level of such Index on that eighth Scheduled Valuation Day in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Valuation Day of each security comprised in the relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Valuation Day, its good faith estimate of the price for the relevant security as of the Valuation Time on that eighth Scheduled Valuation Day);
  - (ii) in respect of a Basket of Indices, the level of such Basket of Indices on that eighth Scheduled Valuation Day by determining the level of each Index comprising the Basket in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Valuation Day of each security comprised in the relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Valuation Day, its good faith estimate of the price for the relevant security as of the Valuation Time on that eighth Scheduled Valuation Day);
  - (iii) in respect of a Share, the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Valuation Day; and
  - (iv) in respect of a Basket of Shares, the value of such Basket of Shares by determining the price of one of each of the Shares comprising the Basket as its good faith estimate of the price of one of each of such Shares that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Valuation Day.

2.2 If any Averaging Date is a Disrupted Day in respect of an Underlying, then, if the consequence specified in the applicable Pricing Supplement in relation to "Averaging Date Market Disruption" is:

- (a) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the performance of such Underlying **provided that**, if through the operation of this provision no Averaging Date would occur in respect of the relevant Underlying during the relevant Averaging Period, then the performance of the Underlying in respect of the relevant Averaging Period will be determined in accordance with Term 2.1 above as if the final scheduled Averaging Date in the relevant Averaging Period was a Valuation Date in respect of such Underlying that was a Disrupted Day;
- (b) "**Postponement**", then Term 2.1 above will apply for purposes of determining the performance of such Underlying on such Averaging Date as if such Averaging Date were a Valuation Date in respect of such Underlying that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date in respect of such Underlying;

- (c) **"Modified Postponement"**, then:
- (i) the Averaging Date for the relevant Underlying affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying (as applicable). If the first succeeding Valid Date in relation to such Underlying has not occurred as of the Valuation Time on the eighth Scheduled Valuation Day immediately following the originally scheduled Averaging Date, then (1) that eighth Scheduled Valuation Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Valuation Day is already an Averaging Date) in relation to the relevant Underlying; and (2) the Calculation Agent shall determine the level, price or value (as applicable) in respect of such Underlying (as applicable) for that Averaging Date in accordance with Term 2.1(b) above; and
  - (ii) **"Valid Date"** shall mean a Scheduled Valuation Day in respect of the relevant Underlying that is not a Disrupted Day and on which another Averaging Date in the relevant Averaging Period does not or is not deemed to occur in respect of the Underlying.
- (d) **"Preceding"**, then such Averaging Date in respect of the Underlying will be the immediately preceding day that is a Scheduled Valuation Day for such Underlying that is not a Disrupted Day and on which another Averaging Date has not or is deemed to have not occurred.

### 2.3 ***Postponement of Payments***

Notwithstanding the provisions of any other term or condition of the Notes, if the Calculation Agent determines that a Disrupted Day has occurred in respect of any Underlying on any Valuation Date, Observation Date or Averaging Date, or if Automatic Early Redemption Following Convention is specified as being applicable in the relevant Pricing Supplement and the operation of such convention leads to a postponement of an Automatic Early Valuation Date in circumstances where the related Automatic Early Redemption Date (i) is not subject to an equivalent postponement and (ii) the Automatic Early Redemption Date falls less than three Business Days after the postponed Automatic Early Valuation Date, payment of the Interest Amount, Final Redemption Amount or Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Maturity Date, the Interest Payment Date or the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period specified in the applicable Pricing Supplement) following the postponed Valuation Date, Observation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Interest Amount, Final Redemption Amount or Automatic Early Redemption Amount in accordance with this Term 2 (*Disrupted Days*).

The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes.

### 3. **Best of/Worst of Provisions**

Where the applicable Pricing Supplement specifies that the Underlying (or, in respect of Multi Underlying Linked Notes, any Underlying in respect of such Note) is a Basket, the applicable Pricing Supplement may further specify either "Best of Provisions" or "Worst of Provisions" as applicable in respect of one or more of such Underlyings. If "Best of Provisions" are specified as applicable, the Value or Level of the Basket and/or the Final Value or Final Index Level of the Basket will be calculated on the basis of the Best Performing Share or Best Performing Index or Best Performing Fund Interest, as applicable, in the relevant Basket, as if the Basket is constituted of only such Share or Index, as applicable. If "Worst of Provisions" are specified as applicable the Value or Level of the Basket and/or the Final Value or Final Index Level of the Basket will be calculated on the basis of the Worst Performing Share, Worst Performing Index or Worst

Performing Fund Interest, as applicable, in the relevant Basket, as if the Basket is constituted of only such Share or Index, as applicable.

4. **Adjustments, Consequences of Certain Events and Currency in respect of Indices**

4.1 ***Index Modification, Index Cancellation and/or Index Disruption and/or Administrator/Benchmark Event***

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation, Index Disruption and/or Administrator/Benchmark Event has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, Initial Index Level, Interest Amount and/or any other relevant term of the Index Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer shall (acting on the instructions of the Calculation Agent) either (i) redeem each Index Linked/Multi Underlying Linked Note at its Fair Market Value on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Index Linked/Multi Underlying Linked Notes; and (ii) make any adjustment or adjustments to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, Initial Index Level, Interest Amount and/or any other relevant term of the Index Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Index Linked/Multi Underlying Linked Notes of any such adjustment or redemption (copied to the Issuer).

5. **Adjustments in respect of Shares**

5.1 ***Adjustments***

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of (i) a Share or (ii) in relation to a Basket, one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on (i) a Share or (ii) in relation to a Basket, one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, Initial Index Level, Initial Share Price or Initial Value (as applicable), Interest Amount and/or any other relevant term of the Equity Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (**provided that** no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

The Calculation Agent shall give notice of such adjustment(s) and determinations to the Issuer and holders of the Equity Linked/Multi Underlying Linked Notes.

5.2 ***Consequences of a Merger Event***

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more Shares, the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Equity Linked/Multi Underlying Linked Note at its Fair Market Value as at the Merger Date on such date as the Issuer shall notify to holders of the Equity Linked/Multi Underlying Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Equity Linked/Multi Underlying Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Equity Linked/Multi Underlying Linked Notes of such Merger Event (**provided that** no adjustments will be made solely to account for changes in



volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Equity Linked/Multi Underlying Linked Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "**Shares**" and the relevant "**Share Issuer**", respectively, and if the Calculation Agent determines to be appropriate, the Issuer will adjust any relevant terms of the Equity Linked/Multi Underlying Linked Notes as the Calculation Agent may determine.

The Calculation Agent shall, on behalf of the Issuer, give notice of such redemption, adjustment or deemed change to holders of the Equity Linked/Multi Underlying Linked Notes (copied to the Issuer).

### 5.3 ***Consequences of a Tender Offer***

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more Shares, then on or after the relevant Tender Offer Date the Issuer shall (if so instructed by the Calculation Agent) (i) redeem each Equity Linked/Multi Underlying Linked Note at its Fair Market Value as at the Tender Offer Date on such date as the Issuer (acting on the instructions of the Calculation Agent) may notify to holders of the Equity Linked/Multi Underlying Linked Notes; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Equity Linked/Multi Underlying Linked Notes as the Calculation Agent determines appropriate to account for the economic effect on the Equity Linked/Multi Underlying Linked Notes of such Tender Offer (**provided that** no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Equity Linked/Multi Underlying Linked Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment.

The Calculation Agent shall, on behalf of the Issuer, give notice of such redemption or adjustment to holders of the Equity Linked/Multi Underlying Linked Notes (copied to the Issuer).

### 5.4 ***Nationalisation, Insolvency or Delisting***

If in respect of one or more of the Shares or a Share Issuer or ETF (as applicable) the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a Delisting, the Issuer shall (if so instructed by the Calculation Agent) (i) make such adjustment, if any, to any one or more of the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, Initial Index Level, Initial Share Price or Initial Value (as applicable), Interest Amount and/or any other relevant term of the Equity Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate to account for the Nationalisation, Insolvency or Delisting, as the case may be, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Equity Linked/Multi Underlying Linked Note at the Fair Market Value as at the date of redemption taking into account the Nationalisation, Insolvency or Delisting on such date as the Issuer shall (acting on the instructions of the Calculation Agent) notify to holders of the Equity Linked/Multi Underlying Linked Notes.

The Calculation Agent, on behalf of the Issuer, shall give notice of any redemption of the Equity Linked/Multi Underlying Linked Notes, determination or adjustment pursuant to this Term to holders of the Equity Linked/Multi Underlying Linked Notes (copied to the Issuer).

### 5.5 ***Change in currencies***

If, at any time after the Issue Date, there is any change in the currency in which any Shares are quoted, listed and/or dealt on the Exchange, then the Issuer will adjust such of the terms and conditions of the Equity Linked/Multi Underlying Linked Notes as the Calculation Agent

determines appropriate to preserve the economic terms of the Equity Linked/Multi Underlying Linked Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency of denomination of the Equity Linked/Multi Underlying Linked Notes or any payment obligation arising out of the Equity Linked/Multi Underlying Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any adjustments pursuant to this Term to holders of the Equity Linked/Multi Underlying Linked Notes (copied to the Issuer).

6. **Adjustments in respect of Indices or Shares**

6.1 ***Change of Exchange***

If an Exchange is changed, the Issuer shall (acting on the instructions of the Calculation Agent) make such consequential modifications to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, Initial Index Level, Initial Share Price or Initial Value (as applicable), Interest Amount and/or any other relevant term of the Equity Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate.

The Calculation Agent, on behalf of the Issuer, shall give notice of such modification(s) to holders of the Equity Linked/Index Linked/Multi Underlying Linked Notes (copied to the Issuer).

6.2 ***Price Correction***

In the event that any value or level published on any relevant Exchange or (in respect of indices only) by any relevant Index Sponsor in respect of a Share or Index (as applicable) and which is utilised for any calculation or determination made under the Equity Linked/Index Linked/Multi Underlying Linked Notes is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period specified in the applicable Pricing Supplement) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will make such adjustments to the terms and conditions of the Equity Linked/Index Linked/Multi Underlying Linked Notes as the Calculation Agent determines to be appropriate to account for such correction.

The Calculation Agent, on behalf of the Issuer, shall give notice of such adjustment(s) to holders of the Equity Linked/Index Linked/Multi Underlying Linked Notes (copied to the Issuer).

6.3 ***Currency***

If the Calculation Agent determines that any event occurs affecting the currency of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes, or, in respect of Shares only, the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, Initial Index Level, Initial Share Price or Initial Value (as applicable), Interest Amount and/or any other relevant term of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer shall (acting on the instructions of the Calculation Agent) make such adjustment or adjustments to the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, Initial Index Level, Initial Share Price or Initial Value (as applicable), Interest Amount and/or any other relevant term of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes as the Calculation Agent deems necessary.

The Calculation Agent, on behalf of the Issuer, shall give notice to the holders of the Basket Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes of any such adjustment(s) (copied to the Issuer).

7. **Additional Disruption Events**

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer shall (acting on the instructions of the Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Automatic Early Redemption Amount, Final Redemption Amount, Instalment Amount, Initial Index Level, Initial Share Price, Initial Value or Initial Fund Value (as applicable), Interest Amount and/or any other relevant term of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (including the date on which any amount is payable by the Issuer) as the Calculation Agent determines appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Calculation Agent) or (ii) redeem each Equity Linked/Index Linked/Multi Underlying Linked Note at its Fair Market Value as at the date of redemption taking into account such Additional Disruption Event on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Basket Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes or determination pursuant to this Term to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer).

8. **Adjustments in respect of Funds**

8.1 ***Consequences of an Extraordinary Fund Event***

If the Calculation Agent determines that an Extraordinary Fund Event has occurred, the Issuer (acting on the instructions of the Calculation Agent) may take the action described below in Term 8.1(a), (b) or (c) provided that, if the Calculation Agent determines that an Extraordinary Fund Event has occurred or is continuing on the Delayed Payment Cut-off Date in accordance with Term 8.2, the Issuer (acting on the instructions of the Calculation Agent) shall determine that the action to be taken in respect of the Extraordinary Fund Event is "**Termination**".

(a) *Adjustment*

If the Issuer (acting on the instructions of the Calculation Agent) determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Adjustment**", then the Calculation Agent may determine, in its sole and absolute discretion, the appropriate adjustment(s), if any, to be made to any one or more Fund, Fund Interest and/or any of the other terms of the Fund Linked/Multi Underlying Linked Notes and/or the applicable Pricing Supplement to take account of the Extraordinary Fund Event and determine the effective date of such adjustment.

(b) *Substitution*

If the Issuer (acting on the instructions of the Calculation Agent) determines that the action in respect of the Extraordinary Fund Event is to be "**Substitution**", the Calculation Agent shall:

- (i) determine the weighted average price at which a Hypothetical Investor can redeem the Fund Interests in the relevant Fund in such number as determined by the Calculation Agent in its sole and absolute discretion as soon as it is reasonably practicable following the Extraordinary Fund Event;
- (ii) for a period of not longer than 14 calendar days following the date on which a Hypothetical Investor would have received proceeds from a redemption order in full submitted by the Hedge Provider as soon as practicable following the occurrence of an Extraordinary Fund Event, use reasonable efforts to substitute the Fund Interests with shares, units or other similar interests in an alternative fund which, in the sole and absolute determination of the Calculation Agent, has similar characteristics to the relevant Fund, including, but not limited to,

comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;

- (iii) if no alternative fund can be determined pursuant to sub-paragraph (ii) above, use reasonable efforts to substitute the Fund with an index (or a fund tracking such index) selected by the Calculation Agent in its sole and absolute discretion; and
- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above, the Issuer may, in its sole and absolute discretion, require the Calculation Agent to make such determinations and/or adjustments to the Fund Linked/Multi Underlying Linked Notes and/or the Pricing Supplement as it determines to be appropriate to take account of such Substitution.

(c) *Termination*

If the Issuer determines (acting on the instructions of the Calculation Agent) that the action to be taken in respect of the Extraordinary Fund Event is to be "**Termination**", the Issuer shall redeem each Equity Linked/Fund Linked/Multi Underlying Linked Note at its Fair Market Value as at the date of redemption taking into account such Extraordinary Fund Event date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Fund Linked/Multi Underlying Linked Notes.

Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary Fund Event, the Calculation Agent may determine which Extraordinary Fund Event is to be triggered, in its sole and absolute discretion.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary Fund Event, the Calculation Agent may have regard to the combined effect, from the Issue Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Fund Linked/Multi Underlying Linked Notes, determination or adjustment pursuant to this Term to holders of the Fund Linked/Multi Underlying Linked Notes (copied to the Issuer).

8.2 *Maturity Date/Automatic Early Redemption Date/Early Redemption Extension*

If on the date falling two Business Days prior to the originally designated Maturity Date, Automatic Early Redemption Date or any date designated by the Calculation Agent as a date on which the Issuer shall redeem the Notes, as the case may be, the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Interests in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Interests (the "**Redemption Proceeds**") (or, in the case of a Hypothetical Investor, been deemed to have received the Redemption Proceeds), the Calculation Agent may, on giving notice to the holders of the relevant series of Notes (with a copy to the Issuer) stating that the Maturity Date, Automatic Early Redemption Date or other date designated by the Calculation Agent as a date on which the Issuer shall redeem the Notes shall be extended, postpone the Maturity Date, Automatic Early Redemption Date or early redemption of Notes, as the case may be.

On the date falling not more than 10 Business Days following receipt by the Hedge Provider of the Redemption Proceeds (or, in the case of a Hypothetical Investor, the deemed receipt of the Redemption Proceeds) the Calculation Agent shall redeem the Fund Linked/Multi Underlying Linked Notes (such date, the "**Postponed Settlement Date**") by payment to each Holder of the Final Redemption Amount, the Automatic Early Redemption Amount or the Fair Market Value, as the case may be, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on (and including) the Delayed Payment Cut-off Date, the Calculation Agent shall determine that an Extraordinary Fund Event has occurred and is continuing on the Delayed Payment Cut-off Date and the provisions of Term 8.1(c) (*Termination*) shall apply.

9. **Automatic Early Redemption**

Subject to Term 8.2 (*Maturity Date/Automatic Early Redemption Date/Early Redemption Extension*), for the purposes of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes, if "Automatic Early Redemption" is specified as being applicable in the applicable Pricing Supplement, then unless previously redeemed or purchased and cancelled, if the Calculation Agent determines that on any Automatic Early Redemption Valuation Date an Automatic Early Redemption Event has occurred, then the Calculation Agent shall promptly notify the Issuer and the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date, and in any such case the redemption amount payable by the Issuer on such date upon redemption of each Equity Linked/Index Linked/Multi Underlying Linked Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Calculation Agent shall, on behalf of the Issuer, give notice of any redemption of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes or determination pursuant to this Term to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes (copied to the Issuer).

10. **Early Redemption Amount on Early Redemption of Notes**

Subject to Term 8.2 (*Maturity Date/Automatic Early Redemption Date/Early Redemption Extension*), if all and not some only of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled Maturity Date, the Issuer shall redeem each Note at its Fair Market Value as at the date of redemption of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes on such date as the Issuer (acting on the instructions of the Calculation Agent) shall notify to holders of the Equity Linked/Index Linked/Fund Linked/Multi Underlying Linked Notes.

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11. **Determinations by the Calculation Agent**

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## DESCRIPTION OF THE EVEN 30™ INDEX

### Introduction

#### Summary

The EVEN 30™ Index (the "**Index**") is designed to track the performance of the thirty least volatile stocks of the 100 largest companies traded on the London Stock Exchange.

The Index has been developed by Investec Bank plc as Index Sponsor and is independently calculated, published and rebalanced by Finvex Group as Index Calculation Agent.

#### Strategy

The EVEN 30™ has been designed as a lower risk alternative to the FTSE 100 in order to deliver more stable performance. The EVEN 30™ Index tracks the performance of the 30 least volatile stocks from the 100 largest companies listed on the London Stock Exchange. When markets are particularly volatile, the EVEN 30™ will disinvest from its 30 constituent stocks to ensure that risk remains low. The strategy of the EVEN 30™ is to outperform the FTSE 100 over the medium to long term, whilst reducing downside risk.

#### Description of Selection Process

Thirty equity securities are selected on a monthly basis from a selection universe comprising the equity securities of the 100 largest companies traded on the London Stock Exchange (the "**Selection Universe**"). This selection is made by applying a selection procedure which seeks to identify stable companies based on a risk analysis of the compounded returns (i.e. the cumulative effect of gains and losses on the equity securities) over various historical periods.

The selection procedure consists of several steps. Firstly, all equity securities traded on the London Stock Exchange and included in the Selection Universe are screened to ensure that each potential component is an operating company. Secondly, a series of selection criteria are applied. These criteria aim to determine those securities which demonstrate the most stable risk profile.

Following the above, the thirty equity securities with the lowest perceived risk profile are chosen as the "**Equity Component**" of the index for that particular month. Each equity security is equally weighted within the Equity Component of the Index. The Index tracks the performance of this basket of equity securities (each equity security included in the Equity Component being a "**Component Security**").

The Component Securities are equally-weighted in order to prevent a few large securities from potentially distorting the Index.

To ensure that the risk profile of the Index remains low when markets themselves are highly volatile, the Index also has a "**Volatility Control**". When the volatility of the Index is above a specified level, the Volatility Control reduces exposure to the Equity Component (and invests in a simulated cash component – see "*Volatility Control*" below) until the volatility of the Index falls back to the specified level. The Volatility Control also allows the exposure to the Equity Component to increase (up to a maximum of 100%), provided that the volatility of the Index remains below the specified level. For clarity, the Equity Component has a 100% weighting on the first day of each monthly period. Thereafter, the Volatility Control can cause this weighting to fluctuate throughout the rest of the monthly period.

The Index is calculated on a daily basis, based on closing prices and is reported in GBP. The Index has been constructed retrospectively with an initial level of 1,000 as of 16 January 1998.

The Index is rebalanced monthly, and is a price return index that uses the closing price of each of the 30 Component Securities, net of dividends. There are no dividend reinvestments in the Index.



## Index Construction

This section outlines the key steps followed in order to determine the composition of the Index, including selection criteria, component security weight, periodic reviews and the target volatility level (i.e. Volatility Control).

### *Index Base Date, Index Reference Currency and Index Base Level*

The Index has the following Index Base Date, Index Reference Currency and Index Base Level:

<b>Index</b>	<b>Index Base Date</b>	<b>Index Reference Currency</b>	<b>Index Base Level</b>
EVEN 30™ Index	16 January 1998	GBP	1,000

*The Index has not been calculated on a daily basis since the Index Base Date. The Index has been based at a level of 1,000 and the Index Base Date was chosen to give an adequate amount of historic data. The Index was created on the "Live Date" (16 September 2010) and Index levels have been calculated on a daily basis since the Live Date. The Index levels on the dates between the Live Date and the Index Base Date have been calculated retrospectively.*

### *Selection Criteria*

The Selection Universe consists of the equity securities issued by the 100 largest companies whose primary listing is on the London Stock Exchange.

In order to qualify as an "**Eligible Security**", each such equity security must satisfy the following requirements (being the "**Selection Criteria**"):

- must relate to an operating company; and
- cannot relate to a Closed-End Fund, Exchange Traded Fund (ETF), Structured Investment Vehicle (SIV) or Royalty Trust.

Prior to the Live Date, the above filter was not applied to the historical constituents of the Index.

The equity securities that form the Equity Component of the Index on the Index Base Date and on each Index Selection Date (see "*Periodic Review*" below) are selected on the following basis from amongst the Eligible Securities in the Selection Universe:

The Eligible Securities are ranked by stability, based on the analysis of risk observed via the compounded price movements of each individual equity security over various periods of between 1 and 3 years. The selection methodology attaches more importance to long-term stability. The 30 most stable Eligible Securities on the Index Base Date and on each Index Selection Date from the List of Eligible Securities (or 'LES', being the "**Component Securities**" that constitute the Index) for the next monthly Index Rebalancing Date and are removed from the Selection Universe for the purpose of creating the Reserve List (or "**RL**") (see below).

Subsequently, the remaining Eligible Securities in the Selection Universe are arranged by sector (using the Global Industry Classification Standard or "**GICS Sector**") and the most stable Eligible Security from each GICS Sector is selected. These 10 Eligible Securities will form the Reserve List. This list will be maintained for the purpose of potentially replacing the originally selected Component Securities, as required, between two Periodic Reviews (see "*Periodic Review*" below). A Component Security may only be replaced by a security appearing on the RL within the same GICS Sector. If this is not possible, the Index Sponsor, in consultation with the Index Calculation Agent will determine in good faith the replacing Eligible Security.

The LES and the RL are determined by the Index Sponsor and the Index Calculation Agent on a monthly basis on each Index Selection Date (see "*Periodic Review*" below).

The Index Sponsor may take into account other criteria in order to exclude any security as an Eligible Security if, in the Index Sponsor's opinion, and in consultation with the Index Calculation Agent, it is reasonable to do so. Examples of such criteria may include, without limitation: (a) restrictions related to the holding by the Index Sponsor (or any entity of the Index Sponsor) of any Component Security, or (b) uncertainty expressed by the Index Sponsor (or any entity of the Index Sponsor) concerning the tax treatment of any holding or proposed holding of any Component Security and/or of the dividends of any Component Security.

Neither the Index Sponsor nor the Index Calculation Agent accept or shall incur any liability for inaccuracies or errors in making any such selections.

Additional changes to the LES and/or to the RL may be required further to certain corporate actions affecting issuers of equity securities within the Selection Universe or equity securities within the Selection Universe, as determined by the Index Calculation Agent together with the Index Sponsor.

### ***Equal Component Security Weight***

The weighting of the Component Securities is designed to be equal on each monthly Index Rebalancing Date.

### ***Periodic Review***

The Periodic Review is carried out in accordance with the following review timetable, using the latest available data:

Index Selection Date	means the fourteenth calendar day of each month unless such day is not a day on which the London Stock Exchange is open or is a disrupted day. If this is the case the next day on which the London Stock Exchange is open and which is not a disrupted day shall be the Index Selection Date. The Index Base Date is 16 January 1998, using data available at Close of Business on 14 January 1998.  New Component Securities for the Index are determined based on the Selection Universe for each Index Selection Date.
Index Rebalancing Date	means the date which is two days (being days on which the London Stock Exchange is open and which are not a disrupted days) immediately following the Index Selection Date in each month. On this date the new Component Securities become the Equity Component and the Index weight allocated to the Equity Component is reset to 100%.

### ***Volatility Control***

In order to ensure the stability of the Index, the proportion of the Index that is made up by the Equity Component (being the 30 Component Securities that constitute the Index) can be reduced in times of high volatility, in which case the remainder will be made up of a simulated 'cash' allocation (the "**Cash Component**") that gives no return.

Any reduction in the allocation to the Equity Component is calculated by comparing the realised volatility of the Equity Component over the previous 22 days to a floating "Target Volatility Level". The Target Volatility Level is calculated as a percentage of the realised volatility of the Selection Universe (the 100 Eligible Securities from which the 30 Component Securities are chosen).

The purpose of the Target Volatility Level is to limit the volatility of the Index when markets in general are highly volatile.

When the realised volatility of the Equity Component (over the previous 22 days) is higher than the Target Volatility Level, the ratio of the Target Volatility Level to the volatility of the Equity Component is

recorded and the proportion of the Index allocated to the Equity Component is set to be equal to this amount, with the remainder allocated to the Cash Component.

Conversely, the Index allocation to the Equity Component may also be increased (subject to a maximum of 100%) where the ratio of the Target Volatility Level to the realised volatility of the Equity Component increases.

This target volatility calculation is performed daily to ensure the stability of the Index, and as a result the proportions of the Equity Component and Cash Component may change on a daily basis.

### **Index Calculation**

The composition of the Index is calculated according to the methodology outlined above. The level of the Index is calculated with reference to both the daily price movements of the 30 Component Securities and the Index proportion allocated to the Equity Component and Cash Component.

Index levels are calculated at close of business on a daily basis (GMT) and are reported in GBP. Index levels for any particular day are published on the following Business Day on Bloomberg (ticker: EVEN 30™ <INDEX>) and on [www.investecstructuredproducts.com](http://www.investecstructuredproducts.com)

## DESCRIPTION OF THE EURO 70™ LOW VOLATILITY INDEX

### Introduction

#### *Summary*

The EURO 70™ Low Volatility Index (the "**Index**") is designed to track the performance of the seventy least volatile stocks of the 300 largest companies listed on specified European exchanges.

The Index has been developed by Investec Bank plc as Index Sponsor and is independently calculated, published and rebalanced by Finvex Group as Index Calculation Agent.

#### *Strategy*

The Index has been designed as a lower risk alternative to traditional European equity indices in order to deliver more stable performance. The Index tracks the performance of the 70 least volatile stocks from the 300 largest companies listed on a range of specified European exchanges. When markets are particularly volatile, the Index will disinvest from its 70 constituent stocks to ensure that risk remains low. The strategy of the Index is to outperform other European equity indices over the medium to long term, whilst reducing downside risk

#### *Description of Selection Process*

Seventy equity securities are selected on a monthly basis from a selection universe comprising the 300 most highly capitalised companies listed on the primary exchange of 15 specified European countries (the "**Selection Universe**"). This selection is made by applying a selection procedure designed by the Index Sponsor, which seeks to identify stable companies based on a risk analysis of the compounded returns (i.e. the cumulative effect of gains and losses on the equity securities) over various historical periods.

The selection procedure consists of several steps. Firstly, all equity securities included in the Selection Universe are screened to ensure that each potential component is an operating company. Secondly, a series of selection criteria are applied. These criteria aim to determine those securities which demonstrate the most stable risk profile.

Following the above, the seventy equity securities with the lowest perceived risk profile are chosen as the "**Equity Component**" of the Index for that particular month. Each equity security is equally weighted within the Equity Component of the Index. The Index tracks the performance of this basket of equity securities (each equity security included in the Equity Component being a "**Component Security**").

The Component Securities are equally-weighted in order to prevent a few large securities from potentially distorting the Index.

To ensure that the risk profile of the Index remains low when markets themselves are highly volatile, the Index also has a "**Volatility Control**". When the volatility of the Index is above a specified level, the Volatility Control reduces exposure to the Equity Component (and invests in a simulated cash component – see "*Volatility Control*" below) until the volatility of the Index falls back to the specified level. The Volatility Control also allows the exposure to the Equity Component to increase (up to a maximum of 100%), provided that the volatility of the Index remains below the specified level.

The Index is calculated on a daily basis, based on closing prices and is reported in EUR. The Index has been constructed retrospectively with an initial level of 1,000 as of 2 January 1998.

The Index is rebalanced monthly, and is a price return index that uses the closing price of each of the 70 Component Securities, net of dividends. There are no dividend reinvestments in the Index.

#### *Index Construction*

This section outlines the key steps followed in order to determine the composition of the Index, including selection criteria, component security weight, periodic reviews and the target volatility level (i.e. Volatility Control).

Index Base Date, Index Reference Currency and Index Base Level

The Index has the following Index Base Date, Index Reference Currency and Index Base Level:

<b>Index</b>	<b>Index Base Date</b>	<b>Index Reference Currency</b>	<b>Index Base Level</b>
EURO 70™ Low Volatility Index	2 January 1998	EUR	1,000

***Selection Criteria***

The Selection Universe consists of the equity securities issued by the 300 largest companies listed on the primary exchanges in the following geographies:

- Austria
- Belgium
- Denmark
- Finland
- France
- Germany
- Italy
- Ireland
- Netherlands
- Norway
- Portugal
- Spain
- Sweden
- Switzerland
- United Kingdom

In order to qualify as an "**Eligible Security**", each such equity security must satisfy the following requirements (being the "**Selection Criteria**"):

- must relate to an operating company;
- cannot relate to a Closed-End Fund, Exchange Traded Fund (ETF), Structured Investment Vehicle (SIV) or Royalty Trust; and
- must exhibit at least two years of price history.

The equity securities that form the Equity Component of the Index on the Index Base Date and on each Index Selection Date (see "*Periodic Review*" below) are selected on the following basis from amongst the Eligible Securities in the Selection Universe.

The Eligible Securities are ranked by stability, based on the analysis of risk observed via the compounded price movements of each individual equity security over various periods of between 1 and 2 years. The 70

most stable Eligible Securities on each Index Selection Date from the List of Eligible Securities (or 'LES', being the "**Component Securities**" that constitute the Index) for the next monthly Index Rebalancing Date and are removed from the Selection Universe for the purpose of creating the Reserve List (or "**RL**") (see below).

Subsequently, the 20 most stable Eligible Securities within the Selection Universe (excluding the 70 Eligible Securities within the LES) will constitute the RL. This list will be maintained for the purpose of potentially replacing the originally selected Component Securities, as required, between two Periodic Reviews (see "*Periodic Review*" below). A Component Security may only be replaced by a security appearing on the RL. If this is not possible, the Index Sponsor, in consultation with the Index Calculation Agent will determine in good faith the replacing Eligible Security.

The LES and the RL are determined by the Index Sponsor and the Index Calculation Agent on a monthly basis on each Index Selection Date (see "*Periodic Review*" below).

The Index Sponsor may take into account other criteria in order to exclude any security as an Eligible Security if, in the Index Sponsor's opinion, and in consultation with the Index Calculation Agent, it is reasonable to do so. Examples of such criteria may include, without limitation: (a) restrictions related to the holding by the Index Sponsor (or any entity of the Index Sponsor) of any Component Security, or (b) uncertainty expressed by the Index Sponsor (or any entity of the Index Sponsor) concerning the tax treatment of any holding or proposed holding of any Component Security and/or of the dividends of any Component Security.

Neither the Index Sponsor nor the Index Calculation Agent accept or shall incur any liability for inaccuracies or errors in making any such selections.

Additional changes to the LES and/or to the RL may be required further to certain corporate actions affecting issuers of equity securities within the Selection Universe or equity securities within the Selection Universe, as determined by the Index Calculation Agent together with the Index Sponsor.

#### ***Equal Component Security Weight***

The weighting of the Component Securities is designed to be equal on each monthly Index Rebalancing Date.

#### ***Periodic Review***

The Periodic Review is carried out in accordance with the following review timetable, using the latest available data:

Index Selection Date	means the first calendar day of each month unless such day is not a TARGET business day. If this is the case the next day which is a TARGET business day and which is not a disrupted day shall be the Index Selection Date. The Index Base Date is 2 January 1998 using data available at Close of Business on 30 December 1997.  New Component Securities for the Index are determined based on the Selection Universe for each Index Selection Date.
Index Rebalancing Date	means the date which is two TARGET business days immediately following the Index Selection Date in each month. On this date the new Component Securities become the Equity Component.

#### ***Volatility Control***

In order to ensure the stability of the Index, the proportion of the Index that is made up by the Equity Component (being the 70 Component Securities that constitute the Index) can be reduced in times of high volatility, in which case the remainder will be made up of a simulated 'cash' allocation (the "**Cash Component**") that gives no return.

Any reduction in the allocation to the Equity Component is calculated by comparing the realised volatility of the Equity Component over the previous 22 days to a fixed "Target Volatility Level". The Target Volatility Level is fixed at 8%.

The purpose of the Target Volatility Level is to limit the volatility of the Index when markets in general are highly volatile.

When the realised volatility of the Equity Component (over the previous 22 days) is higher than the Target Volatility Level, the Index will proportionally reduce exposure from the Equity Component into the Cash Component.

Conversely, the Index allocation to the Equity Component may also be increased (subject to a maximum of 100%) where the realised volatility of the Equity Component is lower than the Target Volatility Level.

This target volatility calculation is performed daily to ensure the stability of the Index, and as a result the proportions of the Equity Component and Cash Component may change on a daily basis.

### **Index Calculation**

The composition of the Index is calculated according to the methodology outlined above. The level of the Index is calculated with reference to both the daily price movements of the 70 Component Securities and the Index proportion allocated to the Equity Component and Cash Component.

Index levels are calculated at close of business on a daily basis and are reported in EUR. Index levels for any particular day are published on the following Business Day on Bloomberg (ticker: EURO70 <INDEX>) and on [www.investecstructuredproducts.com](http://www.investecstructuredproducts.com)

## **PART C – INFLATION LINKED NOTES**

### **FURTHER INFORMATION RELATING TO INFLATION LINKED NOTES**

Under the Programme, the Issuer may from time to time issue "**Inflation Linked Notes**", being Notes in relation to which the interest payable and/or redemption amount payable at maturity is determined by reference to the performance of the UK Retail Prices Index (the "**RPI**") or such other inflation index as may be specified in the applicable Pricing Supplement of each Series of Notes, over a defined period, as may be specified in the applicable Pricing Supplement of each Series of Notes. This Part provides information in relation to such Inflation Linked Notes, including the terms for Inflation Linked Notes set out below and information in relation to certain types of Inflation Linked Notes that may be issued including:

- (i) Inflation Linked Notes without Capital at Risk;
- (ii) Inflation (Interest Only) Linked Notes without Capital at Risk; and
- (iii) Inflation Linked Notes with Capital at Risk,

This Part should be read together with Part A of this Offering Memorandum.

#### **Additional Terms for Inflation Linked Notes**

If the Notes are specified in the relevant Pricing Supplement as being one of the types of Inflation Linked Notes listed above, the Conditions applicable to the Notes shall be supplemented by the terms (the "**Terms**") for Inflation Linked Notes as set out below, as such Terms may be amended or supplemented by the provisions of the Pricing Supplement.

In the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Offering Memorandum, the Terms will prevail for the purposes of the Inflation Linked Notes. In the event of any inconsistency between any of these Terms and the Pricing Supplement in relation to the Inflation Linked Notes, the Pricing Supplement shall prevail.

#### ***Redemption Provisions***

The Notes will also be subject to a set of redemption provisions ("**Redemption Provisions**") which will govern the amount payable upon redemption of the Notes (and, if applicable, any amounts payable during the term of such Notes).

Such Redemption Provisions will be identified in the Pricing Supplement as either one of the sets of Redemption Provisions contained in the Offering Memorandum (as completed by certain elections made in the relevant Pricing Supplement), or will be set out in full in the Pricing Supplement. Such Redemption Provisions shall be included in and form part of the Terms of the Notes.

#### ***Risk Factors in relation to the Inflation Linked Notes***

An investment in Inflation Linked Notes involves risks. For the risks involved, please see the section entitled "*Risk Factors*" set out in Part A of the Offering Memorandum and in particular the section entitled "*Risks related to Inflation Linked Notes*".



**REDEMPTION PROVISIONS IN RESPECT OF CERTAIN OF THE INFLATION LINKED NOTES THAT MAY BE ISSUED UNDER THE PROGRAMME**

**1. Inflation Linked Notes without Capital at Risk**

**A. Further Information relating to Inflation Linked Notes without Capital at Risk**

Inflation Linked Notes without capital at risk are Inflation Linked Notes that:

- (a) may, if "Underlying Linked Interest" is specified as applicable in the applicable Pricing Supplement, bear interest at a fixed rate that is adjusted to take account of the change in the level of the Inflation Index between (i) a specified month prior to the Issue date of the Notes, and (ii) a specified month (the "**Reference Month**") prior to each relevant interest payment date; and
- (b) have a Final Redemption Amount that is adjusted to take account of the change in the level of the Inflation Index between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month prior to the maturity date of the Notes, with the Final Redemption Amount being subject to a Minimum Return at least equal to par.

The Notes may (in addition to or instead of the underlying linked interest described above) bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

**B. Formulae for Rate of Interest and Final Redemption Amounts relating to Inflation Linked Notes potentially to be included in Pricing Supplement**

*Interest Amount*

If "Underlying Linked Interest" is specified as applicable in the applicable Pricing Supplement, interest determined in accordance with the below will be payable in respect of the Inflation Linked Notes without Capital at Risk.

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Pricing Supplement, the provisions of Condition 4(a) (*Interest on Fixed Rate Notes*) shall apply save that the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Fixed Rate of Interest} \times (\text{Current Inflation Level} / \text{Initial Inflation Level})$$

where:

"**Fixed Rate of Interest**" has the meaning given to in the applicable Pricing Supplement;

"**Initial Inflation Level**" or "**IIL**" means the Initial Inflation Level as specified in the applicable Pricing Supplement, or if a Reference Month is specified for the Initial Inflation Level, the level of the Inflation Index determined by the Calculation Agent in respect of that Reference Month;

"**Current Inflation Level**" in respect of an Interest Payment Date the level of Inflation Index determined in respect of the Reference Month specified in the Pricing Supplement for such Interest Payment Date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times \left[ 100\% + \text{Max} \left\{ \text{Minimum Return}, \left( \frac{\text{FIL} - \text{IIL}}{\text{IIL}} \right) \right\} \right]$$

where:

**"Final Inflation Level"** or **"FIL"** means the level of Inflation Index determined in respect of the Reference Month relating to the Maturity Date as specified in the applicable Pricing Supplement; and

**"Minimum Return"** has the meaning given to it in the Pricing Supplement, if applicable.

*(please note that if a Minimum Return is specified as being Not Applicable in the Pricing Supplement, the Minimum Return shall be zero)*

2. **Inflation (Interest Only) Linked Notes without Capital at Risk**

A. ***Further Information relating to Inflation (Interest Only) Linked Notes without capital at risk***

Inflation (Interest Only) Linked Notes without capital at risk are Inflation Linked Notes that:

- (a) pay an amount of interest determined by the change in the level of the Inflation Index between (i) a specified month prior to the previous Interest Payment Date or, in the case of the first interest payment date, a specified month prior to the issue date of the Notes, and (ii) a specified month (the **"Reference Month"**) prior to each relevant Interest Payment Date. Such interest payments may further include an additional fixed amount of interest (**"Margin"**) and may be subject to a Minimum Rate of Interest and/or a Maximum Rate of Interest; and
- (b) pay a Final Redemption Amount equal to par (regardless of the performance of the Inflation Index).

The Notes may also bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

B. ***Formulae for Rate of Interest and Final Redemption Amounts relating to Inflation (Interest Only) Linked Notes potentially to be included in the Pricing Supplement***

*Interest Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Pricing Supplement, the provisions of Condition 4(a) (*Interest on Fixed Rate Notes*) shall apply save that the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Max} \left[ \text{Minimum Rate of Interest, Min} \left[ \text{Maximum Rate of Interest, } \left( \frac{\text{CIL} - \text{PIL}}{\text{PIL}} \right) + \text{Margin} \right] \right]$$

Where:

**"Current Inflation Level"** or **"CIL"** means, in respect of an Interest Payment Date, the level of the Inflation Index determined by the Calculation Agent in respect of the Reference Month specified in the applicable Pricing Supplement for such Interest Payment Date;

**"Initial Inflation Level"** or **"IIL"** means the Initial Inflation Level as specified in the applicable Pricing Supplement, or if a Reference Month is specified for the Initial Inflation Level, the level of the Inflation Index determined by the Calculation Agent in respect of that Reference Month;

**"Margin"** means *n* per cent., as specified in the applicable Pricing Supplement;

**"Minimum Rate of Interest"** means *n* per cent., as specified in the applicable Pricing Supplement;

**"Maximum Rate of Interest"** means *n* per cent., as specified in the applicable Pricing Supplement;

**"Previous Inflation Level"** or **"PIL"** means, in respect of an Interest Payment Date, the level of Inflation Index determined by the Calculation Agent in respect of the Reference Month specified

in the Pricing Supplement applicable to the immediately preceding Interest Payment Date, or in relation to the first Interest Payment Date, the Initial Inflation Level.

*(please note that if Minimum Rate of Interest or Maximum Rate of Interest is specified as being Not Applicable in the Pricing Supplement, the Minimum Rate of Interest shall be zero and/or the Maximum Rate of Interest shall be unlimited)*

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date will be an amount equal to:

$$\text{Specified Denomination} \times 100\%$$

3. **Inflation Linked Notes with Capital at Risk**

A. ***Further Information relating to Inflation Linked Notes with Capital at Risk***

Inflation Linked Notes with capital at risk are Inflation Linked Notes that:

- (a) may, if "Underlying Linked Interest" is specified as applicable in the applicable Pricing Supplement, bear interest at a fixed rate that is adjusted to take account of the change in the level of the Inflation Index between (i) a specified month prior to the Issue date of the Notes, and (ii) a specified month (the "**Reference Month**") prior to each relevant interest payment date; and
- (b) have a Final Redemption Amount that is adjusted to take account of the change in the level of the Inflation Index between (i) a specified month prior to the issue date of the Notes, and (ii) a specified month prior to the maturity date of the Notes.

The Notes may (in addition to or instead of the underlying linked interest described above) bear interest at a fixed or floating rate in accordance with Condition 4 (*Interest*).

B. ***Formulae for Rate of Interest and Final Redemption Amounts relating to Inflation Linked Notes with Capital at Risk potentially to be included in Pricing Supplement***

*Interest Amount*

If "Underlying Linked Interest" is specified as applicable in the applicable Pricing Supplement, interest determined in accordance with the below will be payable in respect of the Inflation Linked Notes with Capital at Risk.

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Pricing Supplement, the provisions of Condition 4(a) (*Interest on Fixed Rate Notes*) shall apply save that the Rate of Interest for any Interest Period shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Fixed Rate of Interest} \times (\text{Current Inflation Level} / \text{Initial Inflation Level})$$

where:

"**Current Inflation Level**" or "**CIL**" means, in respect of an Interest Payment Date, the level of the Inflation Index determined by the Calculation Agent in respect of the Reference Month specified in the applicable Pricing Supplement for such Interest Payment Date;

"**Fixed Rate of Interest**" has the meaning given to it in the applicable Pricing Supplement;

"**Initial Inflation Level**" or "**IIL**" means the Initial Inflation Level as specified in the applicable Pricing Supplement, or if a Reference Month is specified for the Initial Inflation Level, the level of the Inflation Index determined by the Calculation Agent in respect of that Reference Month;

*Instalment Redemption Amount*

If the Pricing Supplement specifies that the Instalment Amount is Inflation Linked, the Instalment Amount in respect of an Instalment Date shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Instalment Reduction} \times (\text{Instalment Inflation Level} / \text{Initial Inflation Level})$$

Where:

**"Instalment Inflation Level"** in respect of an Instalment Date, the level of Inflation Index determined in respect of the Reference Month specified in the Pricing Supplement for the corresponding Instalment Date.

*Final Redemption Amount*

Unless previously redeemed or repurchased in accordance with the Terms, Conditions and the applicable Pricing Supplement, the Final Redemption Amount payable by the Issuer in respect of the Note on its Maturity Date shall be an amount determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times (\text{Final Inflation Level} / \text{Initial Inflation Level})$$

**"Final Inflation Level"** or **"FIL"** means the level of Inflation Index determined in respect of the Reference Month relating to the Maturity Date as specified in the applicable Pricing Supplement.

## TERMS FOR INFLATION LINKED NOTES

The Conditions applicable to the Notes shall be supplemented by the following Terms for the Inflation Linked Notes, unless otherwise indicated in the applicable Pricing Supplement. The Conditions apply to all Inflation Linked Notes and, in the event of any inconsistency between any of these Terms and the Conditions, or any statement in or incorporated by reference into the Offering Memorandum, these Terms will prevail for the purposes of the Inflation Linked Notes. In the event of any inconsistency between any of these Terms or any statement in or incorporated by reference into the Offering Memorandum, and the Pricing Supplement in relation to the Inflation Linked Notes, the Pricing Supplement shall prevail.

### 1. Definitions

For the purposes of these Terms, the following terms shall have the meanings set out below:

**"Additional Disruption Event"** means each of Change in Law and Hedging Disruption;

**"Change in Law"** means that, on or after the Issue Date (as specified in the applicable Pricing Supplement) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

- (a) it is unable to perform its obligation in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Inflation Linked Notes; or
- (b) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Inflation Linked Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Inflation Linked Notes;

**"Cut-Off Date"** means, in respect of a Determination Date, three Business Days prior to such Determination Date;

**"Delayed Index Level Event"** means, in respect of any Determination Date, that the relevant Index Sponsor fails to publish or announce the level of the relevant Index (the **"Relevant Level"**) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer or the Calculation Agent in respect of such Determination Date, at any time on or prior to the Cut-Off Date;

**"Fallback Bond"** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation Linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation Linked bonds issued on or before the Issue Date and, if there is more than one inflation Linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

**"Hedging Disruption"** means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary

to hedge the equity price risk or any other relevant price risk, including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Inflation Linked Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or option contract(s) or any relevant hedge positions relating to the Inflation Linked Notes;

**"Increased Cost of Hedging"** means that the Issuer and/or any of its affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Inflation Linked Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its respective affiliates shall not be deemed an Increased Cost of Hedging;

**"Index"** means the Inflation Index.

**"Index Cancellation"** means a level for the relevant Index has not been published or announced for two consecutive months and/or the relevant Index Sponsor cancels the Index and/or the relevant Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists;

**"Index Modification"** means the relevant Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the relevant Index or in any other way materially modifies the Index;

**"Index Sponsor"** means the entity that publishes or announces (directly or through an agent) the level of the relevant Index which as of the Issue Date of the Inflation Linked Notes is the index sponsor;

**"Inflation Index"** means an index specified in the applicable Pricing Supplement or any Successor Index thereto;

**"Optional Additional Disruption Event"** means Increased Cost of Hedging, if specified in the applicable Pricing Supplement;

**"Rebased Index"** has the meaning given to it under Term 4 (*Adjustments*);

**"Reference Month"** means the calendar month for which the level of the relevant Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported;

**"Related Bond"** means the bond specified as such in the applicable Pricing Supplement. If the Related Bond specified in the applicable Pricing Supplement is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Pricing Supplement as the Related Bond and "Fallback Bond: Not applicable" is specified in the applicable Pricing Supplement there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Pricing Supplement and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the applicable Pricing Supplement, the Calculation Agent shall use the Fallback Bond for any Related Bond determination;

**"Related Bond Redemption Event"** means, if specified as applicable in the applicable Pricing Supplement, at any time prior to the Maturity Date, (a) the Related Bond is redeemed, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

**"Relevant Level"** has the meaning given to it in the definition of Delayed Index Level Event;

"**Successor Index**" has the meaning given to it in under Term 3 (*Successor Index*); and

"**Substitute Inflation Index Level**" means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Term 2 (*Delay in Publication*).

2. **Delay in Publication**

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Index has occurred with respect to any Determination Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the "**Substitute Inflation Index Level**") shall be determined by the Calculation Agent (subject to Term 4.2 (*Substitute Inflation*) below), as follows:

- 2.1 if Related Bond is specified as applicable in the applicable Pricing Supplement, the Calculation Agent **shall** determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- 2.2 if (i) Related Bond is specified as not applicable in the applicable Pricing Supplement, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

$$[\text{Substitute Inflation Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level})]; \text{ or}$$

- 2.3 otherwise in accordance with any formula specified in the applicable Pricing Supplement,
- where:

"**Base Level**" means the level of the relevant Index (excluding any "flash" estimates) published or announced by the relevant Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Inflation Index Level is being determined.

"**Latest Level**" means the level of the relevant Index (excluding any "flash" estimates) published or announced by the relevant Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined.

"**Reference Level**" means the level of the relevant Index (excluding any "flash" estimates) published or announced by the relevant Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall promptly give notice to holders of the Inflation Linked Notes (the "**Inflation Linked Noteholders**") in accordance with Condition 13 (*Notices*) of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Pricing Supplement, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Term 2 (*Delay in Publication*) will be the definitive level for that Reference Month.

3. **Successor Index**

If the Calculation Agent determines that the level of an Index is not calculated and announced by the relevant Index Sponsor for two consecutive months and/or the relevant Index Sponsor announces that it will no longer continue to publish or announce the Index and/or the relevant Index Sponsor cancels the Index, then the Calculation Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Inflation Linked Notes as follows:

- 3.1 if Related Bond is specified as applicable in the applicable Pricing Supplement, the Calculation Agent shall determine a "**Successor Index**" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;

- 3.2 if (x) Related Bond is specified as not applicable in the applicable Pricing Supplement or (y) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Pricing Supplement, the relevant Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Index, such replacement index shall be designated a "**Successor Index**";
- 3.3 if no Successor Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "**Successor Index**"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "**Successor Index**"; if fewer than three responses are received by the Cut-Off Date the Calculation Agent will determine an appropriate alternative index for such affected payment date, and such index will be deemed a "**Successor Index**"; or
- 3.4 if the Calculation Agent determines that there is no appropriate alternative index, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Inflation Linked Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to Inflation Linked Noteholders by the Issuer in accordance with Condition 13 (*Notices*).

#### 4. **Adjustments**

##### 4.1 ***Successor Index***

If a Successor Index is determined in accordance with Term 3 (*Successor Index*), the Calculation Agent may make any adjustment or adjustments (without limitation) to any amount payable under the Inflation Linked Notes and/or any other relevant term of the Inflation Linked Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the Inflation Linked Noteholders of any such adjustment in accordance with Condition 13 (*Notices*).

##### 4.2 ***Substitute Inflation Level***

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Term 2 (*Delay in Publication*), the Issuer may make any adjustment or adjustments (without limitation) to (x) the Substitute Inflation Index Level determined in accordance with Term 2 (*Delay in Publication*) and/or (y) any amount payable under the Inflation Linked Notes and/or any other relevant term of the Inflation Linked Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Inflation Linked Noteholders of any such adjustment in accordance with Condition 13 (*Notices*).

##### 4.3 ***Index Level Adjustment Correction***

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Term 4.5(B) (*Rebasing*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index (HCPI), revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Inflation Linked Noteholders of any valid revision in accordance with Condition 13 (*Notices*).
- (b) If, within 30 days of publication or at any time prior to a Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such



Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to any amount payable under the Inflation Linked Notes and/or any other relevant term of the Inflation Linked Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Inflation Linked Noteholders of any such adjustment and/or amount in accordance with Condition 13 (*Notices*).

- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Linked Notes and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) request the Issuer to make any adjustment to any amount payable under the Inflation Linked Notes and/or any other relevant term of the Inflation Linked Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Inflation Linked Noteholders of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 13 (*Notices*).

#### 4.4 **Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to any amount payable under the Inflation Linked Notes, and/or any other relevant term of the Inflation Linked Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to such amount and/or any other relevant term of the Inflation Linked Notes as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the Inflation Linked Noteholders of any such adjustment in accordance with Condition 13 (*Notices*).

#### 4.5 **Rebasing**

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the Relevant Level from the date of such rebasing; **provided, however, that** the Calculation Agent may make:

(A) if Related Bond is specified as applicable in the applicable Pricing Supplement, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or

(B) if Related Bond is specified as not applicable in the applicable Pricing Supplement or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased and in each case the Issuer may make any adjustment(s) to any amount payable under the Inflation Linked Notes and/or any other term of the Inflation Linked Notes as the Calculation Agent may deem necessary.

If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Calculation Agent may redeem each Inflation Linked Note on a date notified by the Issuer to Inflation Linked Noteholders in accordance with Condition 13 (*Notices*) at its Fair Market Value as determined by the Calculation Agent taking into account the rebasing. Notice of any adjustment, redemption of the Inflation Linked Notes or determination pursuant to this paragraph shall be given to Inflation Linked Noteholders in accordance with Condition 13 (*Notices*).

4.6 ***Index Modification***

- (a) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the applicable Pricing Supplement, make any adjustments to the Index, any Relevant Level and/or any other relevant term of the Inflation Linked Notes (including, without limitation, any amount payable under the Inflation Linked Notes), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the applicable Pricing Supplement or a Related Bond Redemption Event has occurred make only those adjustments to the relevant Index, any Relevant Level and/or any other term of the Inflation Linked Notes (including, without limitation, any amount payable under the Inflation Linked Notes), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.
- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Calculation Agent may determine either (i) to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of sub-paragraph (a) above will apply, or, (ii) notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (a) above.

4.7 ***Consequences of an Additional Disruption Event or an Optional Additional Disruption Event***

If the Calculation Agent determines that an Additional Disruption Event and/or an Optional Additional Disruption Event has occurred, the Issuer may redeem each Inflation Linked Note on the date notified by the Issuer to Inflation Linked Noteholders in accordance with Condition 13 (*Notices*) at its Fair Market Value taking into account the relevant Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be. Notice of any redemption of the Inflation Linked Notes shall be given to Inflation Linked Noteholders in accordance with Condition 13 (*Notices*).

4.8 ***Index Cancellation***

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Inflation Linked Note on the date notified by the Issuer to Inflation Linked Noteholders in accordance with Condition 13 (*Notices*) at its Fair Market Value taking into account the Index Cancellation. Notice of any redemption of the Inflation Linked Notes pursuant to this paragraph shall be given to Inflation Linked Noteholders in accordance with Condition 13 (*Notices*).

## PART D – ADDITIONAL TERMS OF THE SECURED NOTES

If the Notes are specified in the relevant Pricing Supplement as being Secured Notes, the Conditions (and if applicable, the relevant Terms in relation to Equity Linked Notes, Index Linked Notes, Fund Linked Notes or Inflation Linked Notes) applicable to the Notes will be supplemented by the additional terms (the "**Additional Terms**") for Secured Notes as set out below.

### 1. SECURITY

If the applicable Pricing Supplement specifies that a Series is a Series of Secured Notes, then such Notes, or the Secured Portion of such Notes, shall have the benefit of security granted by the Issuer over a pool of collateral (the "**Collateral Pool**") of certain Posted Collateral and other Secured Assets, as specified in the applicable Pricing Supplement and the Supplemental Trust Deed relating to such Series, in favour of the Trustee for the benefit of itself and the Noteholders, Receiptholders and Couponholders to secure its obligations under the Notes, Receipts and Coupons (if any) in respect of such Series and any other Series of Secured Notes which are or will be secured by the same Collateral Pool (each a "**Related Covered Series**" and, together with such other Series of Secured Notes, the "**Covered Series**").

Any such security shall be created by a Supplemental Trust Deed substantially in the form scheduled to the Principal Trust Deed, with such amendments as the Issuer and the Trustee may agree from time to time. A Collateral Pool may secure the Issuer's obligations in respect of a single Series of Secured Notes or may be available to secure other Series of Secured Notes, if so specified in the applicable Pricing Supplement and the relevant Supplemental Trust Deed.

The Supplemental Trust Deed relating to a Collateral Pool (and the Pricing Supplement of each Series of Secured Notes that is a Covered Series in relation to such Collateral Pool) shall specify (a) whether the Collateral Pool is to secure one Series of Secured Notes only or may secure more than one Series, (b) the eligible collateral (the "**Eligible Collateral**") and related valuation percentages (each, a "**Valuation Percentage**"), (c) the maximum percentage (the "**Maximum Percentage**") relating to each item of Eligible Collateral, (d) the valuation dates (each, a "**Valuation Date**"), (e) the base currency (the "**Base Currency**") and the eligible currencies (each, an "**Eligible Currency**"), (f) the minimum transfer amount (the "**Minimum Transfer Amount**"), (g) the independent amount (if any) (the "**Independent Amount**") and (h) whether "Dealer Waiver of Rights" is specified as applicable in the applicable Pricing Supplement.

Pursuant to the terms of the Trust Deed, the Posted Collateral in relation to all Covered Series in respect of a single Collateral Pool and the Exposure under such Covered Series will be required to be valued by the Valuation Agent on the Valuation Dates specified in the applicable Pricing Supplement and the Supplemental Trust Deed and the Issuer may be required to post further Eligible Collateral or be entitled to request the return of any Posted Collateral based on such valuations. In addition, subject to the detailed provisions of the Trust Deed, the Issuer may be entitled to substitute Posted Collateral with other Eligible Collateral. The applicable Pricing Supplement and the Supplemental Trust Deed may specify a Maximum Percentage in relation to any item(s) of Eligible Collateral, in which case the Issuer shall not be entitled to post such item(s) of Eligible Collateral to a Collateral Pool to the extent that it would result in the Value (as determined by the Valuation Agent) of such item(s) of Eligible Collateral, expressed as a percentage of the total Value (as determined by the Valuation Agent) of Posted Collateral in relation to such Collateral Pool, exceeding such Maximum Percentage. In addition, to the extent that the Value on a Valuation Date of any item(s) of Posted Collateral, expressed as a percentage of the total Value of Posted Collateral for such Collateral Pool, exceeds the applicable Maximum Percentage, the Issuer will be required to substitute some or all of such items of Posted Collateral with other Eligible Collateral so that such Maximum Percentage is not exceeded.

The Security in relation to the Collateral Pool of any Covered Series shall become immediately enforceable following an Event of Default in relation to such Covered Series, upon the Trustee giving notice to the Issuer pursuant to Condition 9 (*Events of Default*).

In the event that the Security created by the Trust Deed in relation to the Collateral Pool of any Covered Series becomes enforceable as provided in these Conditions and the Trust Deed, the Trustee may at its discretion, and if so requested by holders of at least one quarter in nominal

amount of the Notes of such Covered Series then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution of the Noteholders of such Covered Series shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) enforce the Security, **provided, however, that** the Trustee shall not be required to take any action that would involve the Trustee in any personal liability or which may be contrary to applicable laws and/or regulations. In each case, the Trustee may act without any liability as to the consequence of such action and without having regard to the effect of such action on any individual Noteholders, Receiptholders or Couponholders. Any Waived Notes (as defined in Term 2 (*Dealer Waiver of Rights*) below) of such Covered Series shall be deemed to be held by the Issuer for the purposes of the definition of ‘outstanding’ and, in particular, the holder of any Waived Notes shall have no ability to direct the Trustee to take any action to enforce the Security or to take any other action pursuant to the Trust Deed.

Following any enforcement of the Security in relation to the Collateral Pool of any Covered Series, the proceeds from the Secured Assets shall be held by the Trustee upon trust to be applied in the following order of priority: (a) in and towards payment of all amounts due to the Trustee, any appointee and/or any receiver in relation to such Covered Series and any Related Covered Series, together with accrued interest, (b) in and towards payment of all amounts of principal/redemption amount and interest due but unpaid to the Noteholders and any Receiptholders and Couponholders of such Covered Series and any Related Covered Series on a *pari passu* and *pro rata* basis according to the amount due to be paid to each Noteholder, Receiptholder and Couponholder provided that no proceeds from the enforcement of the Security shall be paid to holders of Waived Notes and (c) the balance (if any) to the Issuer.

## 2. **DEALER WAIVER OF RIGHTS**

If "Dealer Waiver of Rights" is specified as applicable in the applicable Pricing Supplement for any Series of Secured Notes, then any such Secured Notes held by the Issuer in its capacity as a Dealer from time to time shall be deemed "**Waivable Notes**".

In respect of any Series where "Dealer Waiver of Rights" is specified as applicable in the applicable Pricing Supplement, the Issuer in its capacity as a Dealer shall promptly provide written notice to the Valuation Agent specifying the amount of Waivable Notes it holds together with such evidence of its holding as may be requested by the Valuation Agent. Upon receipt of such notice, the lesser of (i) the amount of Waivable Notes specified in such notice, and (ii) the Maximum Waivable Amount of such Series of Waivable Notes specified in the applicable Pricing Supplement shall be deemed to be "**Waived Notes**". Promptly thereafter, the Valuation Agent shall provide written notice to the Dealer, the Issuer and the Trustee of the amount of Waived Notes and the Trustee shall be entitled to rely upon such notice without any liability to any interested party.

Waived Notes shall be deemed to be held by the Issuer for the purposes of the definition of ‘outstanding’ (including the right to direct the Trustee to take enforcement action in respect of the Security) and, in particular, the holder of such Waived Notes shall be deemed to have irrevocably waived any and all rights or entitlement to (i) direct the Trustee to take to enforce the Security or any other action pursuant to the Trust Deed, (ii) the proceeds (or any portion thereof) of any enforcement of the Security by the Trustee, and (iii) be an Eligible Person (as defined in the Trust Deed) for the purpose of any Extraordinary Resolution.

Thereafter, the Issuer in its capacity as a Dealer shall, on each Valuation Date and upon request by the Valuation Agent, provide written notice to the Valuation Agent of the principal outstanding amount and number of Waived Notes it holds, and shall further, upon request from the Valuation Agent, provide evidence to the Valuation Agent of such holding. Promptly thereafter (but only where the amount of Waived Notes has changed from the previous Valuation Date), the Valuation Agent shall provide written notice to the Issuer and the Trustee as to the amount of Waived Notes and the Trustee shall be entitled to rely upon such notice without any liability to any interested party.

In relation to any Covered Series, when determining the Credit Support Amount on any Valuation Date the Valuation Agent shall not take into account the Exposure in relation to Waived Notes.

If the Issuer in its capacity as Dealer subsequently acquires Notes in the secondary market that would constitute Waivable Notes of a particular Series if held by the Dealer on the Issue Date, the Dealer will promptly provide written notice to the Valuation Agent, together with such evidence of its holding as may be requested by the Valuation Agent, of (a) the amount of Notes it has purchased, and (b) the amount of Waived Notes of the same Series that it holds (with the sum of (a) and (b) being the "**Total Waivable Notes**"). Upon receipt of this notice by the Valuation Agent the lesser of (i) the Total Waivable Notes, and (ii) the Maximum Waivable Amount of such Series of Waivable Notes specified in the applicable Pricing Supplement shall be deemed to be "**Waived Notes**". Promptly thereafter, the Valuation Agent shall provide written notice to the Dealer, the Issuer and the Trustee of the amount of Waived Notes and the Trustee shall be entitled to rely upon such notice without any liability to any interested party.

In respect of any Covered Series which includes one or more Series of Notes under which "Dealer Waiver of Rights" is specified as applicable in the applicable Pricing Supplement the Issuer shall, prior to requesting the return or substitution of any Posted Collateral in accordance with the provisions of the Trust Deed, procure that the Issuer in its capacity as Dealer provides each of the Valuation Agent, the Issuer, the Verification Agent and the Trustee with written notice confirming the amount of Waived Notes of such Series that it holds on the relevant Valuation Date and the Trustee and the Verification Agent shall be entitled to rely upon such notice without any liability to any interested party.

If the Issuer in its capacity as Dealer subsequently transfers any Waived Notes in the secondary market the Issuer in its capacity as Dealer will promptly provide written notice thereof to the Valuation Agent, the Issuer and the Trustee and, upon receipt of this notice by the Valuation Agent, the Issuer and the Trustee, such Notes so transferred will cease to be Waived Notes.

If any Waived Notes are subsequently repurchased by the Issuer from the Issuer in its capacity as Dealer and cancelled the Issuer will promptly provide written notice to the Valuation Agent (with a copy to the Issuer and the Trustee).

The Trustee and the Verification Agent shall be entitled to assume that the amount of Waived Notes from time to time is as set out in the most recent notice it received from the Valuation Agent or the Issuer in its capacity as Dealer and neither the Trustee nor the Verification Agent shall suffer any liability to any Holder or any other interested party for so assuming.

Neither the Trustee nor the Verification Agent shall have any responsibility to monitor whether (i) any Waivable Notes or Waived Notes are in issue, (ii) the Issuer has an obligation to add to the Security as a result of any Waived Notes being sold to the secondary market, or (iii) there has been any diminution in the amount or value of the Security as a result of the Terms relating to Waived Notes, and neither the Trustee nor the Verification Agent shall suffer any liability whatsoever as a result of any failure by the Issuer, the Valuation Agent or any Dealer to comply with the Terms relating to Waived Notes.

### 3. **ADDITIONAL DEFINITIONS APPLICABLE TO SECURED NOTES**

"**Base Currency**", in relation to any Collateral Pool, has the meaning specified in the Security Documents relating to such Collateral Pool;

"**Base Currency Equivalent**" means, with respect to the Valuation Time in respect of a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the "**Other Currency**"), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value at such Valuation Time;

"**Covered Series**" means, in relation to any Collateral Pool, the Initial Notes and, if the applicable Pricing Supplement specifies that such Collateral Pool is to secure the Initial Notes and other Series of Notes, all such Series of Secured Notes which are or will be secured by such Collateral Pool;

"**Credit Support Amount**" means, in relation to any Covered Series, (a) the Exposure in relation to such Covered Series, plus (b) the Independent Amount, provided, however, that the Credit

Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero;

**"Early Redemption Amount"** means, in relation to any Series of Notes, the aggregate amount that would be payable by the Issuer in accordance with the Conditions in respect of such Series if such Series of Notes were to be redeemed pursuant to Condition 6(c) (*Redemption for tax reasons*) on a Valuation Date;

**"Encumbrance"** means any mortgage, pledge, lien, hypothecation, security interest or other arrangement having similar effect;

**"Exposure"** means, in relation to any Covered Series, the aggregate of (i) in respect of each Series of Secured Notes that is part of such Covered Series and in relation to which the Specified Currency is the Base Currency, the Early Redemption Amounts in respect of the Secured Portion of each such Series, and (ii) in respect of each Series of Secured Notes that is part of such Covered Series and in relation to which the Specified Currency is not the Base Currency, the Base Currency Equivalent of the Early Redemption Amounts in respect of the Secured Portion of each such Series;

**"Posted Collateral"** means, in relation to any Collateral Pool, all Eligible Collateral, other property, distributions, interest and all proceeds of any such Eligible Collateral, other property, distributions or interest that have been transferred to or received by the Trustee under the Security Documents relating to such Collateral Pool and not transferred to the Issuer pursuant to the terms set out in the Trust Deed or realised by the Trustee under the terms set out in the Trust Deed.

**"Secured Assets"** means, in relation to any Collateral Pool, the assets and rights from time to time the subject of the Security constituted by the Security Documents relating to such Collateral Pool;

**"Secured Portion"** means, in relation to any Covered Series, the portion of the Notes which have the benefit of the Security (as specified in the applicable Pricing Supplement);

**"Security"** means, in relation to any Series of Secured Notes, the Encumbrances created or intended to be created, or which may at any time be intended to be created, in favour of the Trustee as trustee for the Noteholders, the Receiptholders and the Couponholders of such Series of Secured Notes, by or pursuant to the Security Documents in relation to such Series;

**"Security Documents"** means, in relation to any Series of Secured Notes, this Principal Trust Deed, the Supplemental Trust Deed relating to such Series and any other documents which may be specified in the relevant Supplemental Trust Deed and the applicable Pricing Supplement as additional Security Documents in relation to such Series;

**"Valuation Time"** means (i) in relation to any Collateral Pool, the close of business in London on the London Business Day immediately preceding the Valuation Date or date of calculation, as applicable, **provided that** the calculations of Value and Exposure in relation to any Collateral Pool will, as far as practicable, be made as of approximately the same time on the same date; and (ii) in relation to any Reference Obligation, 11:00 a.m. in the principal trading market of the Reference Obligation; and

**"Value"** means:

- (a) in the case of Eligible Collateral or Posted Collateral that is:
  - (i) an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage, if any; and
  - (ii) a security, the Base Currency Equivalent of its value multiplied by the applicable Valuation Percentage (if any), **provided, however, that** for the purposes of determining whether the Maximum Percentage for any item of Eligible Collateral has been exceeded, "Value" shall mean nominal value multiplied by the applicable Valuation Percentage (if any); and
- (b) in the case of Posted Collateral that consists of items that are not specified as Eligible Collateral, zero,

in each case, as at the Valuation Time in respect of a Valuation Date.

"**Waivable Notes**" means, in relation to any Secured Notes, where "Dealer Waiver of Rights" is specified as applicable in the applicable Pricing Supplement, in relation to which a Dealer Waiver of Rights may apply.

4. **ADDITIONAL EVENTS OF DEFAULT**

The following events shall constitute additional Events of Default in relation to Secured Notes:

- (i) default is made in the payment of any principal, premium or interest due in respect of any Related Covered Series or any of them and the default continues for a period of 7 days in the case of principal or premium or 14 days in the case of interest; or
- (ii) the Issuer fails to:
  - (A) make, when due, any transfer of Eligible Collateral required to be made by it in relation to the related Collateral Pool and that failure continues for 7 days after notice of such failure is given to it by the Trustee; or
  - (B) perform any other of its obligations under the Trust Deed in relation to the Collateral Pool relating to such Notes and such failure continues for 45 days after notice of such failure is given to it by the Trustee.

## **PART E – ADDITIONAL TERMS OF THE CREDIT LINKED NOTES**

If the Notes are specified in the relevant Pricing Supplement as being Credit Linked Notes, the Conditions (and if applicable, the relevant Terms in relation to Equity Linked Notes, Index Linked Notes, Fund Linked Notes or Inflation Linked Notes) applicable to the Notes will be supplemented by the additional terms (the "**Additional Terms**") for Credit Linked Notes as set out below, as such terms may be amended or supplemented by the relevant Pricing Supplement.

### **1. GENERAL**

- (i) The applicable Pricing Supplement shall specify whether Simplified Credit Linkage or ISDA Credit Linkage applies to each Series of Credit Linked Notes, and shall further specify the portion of the Note to which such credit linkage applies. Notes may be fully or partially credit linked.
- (ii) Each Note, or a percentage portion of each Note specified in the applicable Pricing Supplement (the "**Credit Linked Portion**"), will be credit linked to one or more Reference Entity(ies) specified in the applicable Pricing Supplement, with each Reference Entity having a weighting specified in the applicable Pricing Supplement (the "**Reference Entity Weighting**"). The portion of each Note linked to a particular Reference Entity (the "**Relevant Portion**") shall be a percentage portion of the principal outstanding from time to time of such Note equal to the Reference Entity Weighting of such Reference Entity. The Redemption Amount payable in respect of a Credit Linked Note will be determined in accordance with the Conditions, as supplemented by these Terms Credit Linked Notes and, for such purposes, the Notional Amount of each Relevant Portion of a Note shall be equal to the product of the Notional Amount of such Note and the relevant Reference Entity Weighting.

### **2. SIMPLIFIED CREDIT LINKAGE**

- (a) This Term only applies to Credit Linked Notes in relation to which the applicable Pricing Supplement specifies that Simplified Credit Linkage applies.
- (b) ***Redemption Amount following Credit Event Notice***
  - (i) If the Calculation Agent delivers a Credit Event Notice to the Issuer in relation to a Reference Entity linked to a Relevant Portion of a Credit Linked Note prior to the Maturity Date then:
    - (A) the Calculation Agent shall determine the Adjusted Fair Market Value of such Relevant Portion as of the Credit Event Notice Date; and
    - (B) the Final Redemption Amount in relation to such Note shall be calculated and paid in accordance with the following provisions of this Part E.
  - (ii) The Final Redemption Amount in respect of a Note linked to a Reference Entity in relation to which a Credit Event Notice has been delivered shall be equal to the aggregate of:
    - (A) the Credit Event Redemption Amounts in relation to each Relevant Portion of the Note in relation to which a Credit Event Notice has been delivered, calculated in accordance with this Part E; and
    - (B) the Redemption Amounts in relation to (i) each Relevant Portion of the Note in respect of which no Credit Event Notice has been delivered and (ii) any portion of the Note which is not Credit Linked, shall be calculated in accordance with the Terms and applicable Pricing Supplement without regard to the provisions of this Part E.
  - (iii) The Credit Event Redemption Amount shall be determined in accordance with the provisions set out below under paragraph (e) (*Definitions*). If the Credit Event Redemption Amount in relation to a Relevant Portion of a Note has not been



determined by the day which is 4 Business Days prior to the scheduled Maturity Date for such Note, then payment of the Final Redemption Amount for the Note will be postponed to the day which is 4 Business Days after the date of determination of the Credit Event Redemption Amount in accordance with paragraph (e) (*Definitions*) below. The holder of the Note shall not be entitled to any interest or other payment in respect of such postponement.

- (iv) If, following a Credit Event Notice Date, an Automatic Early Redemption Event occurs in respect of any Credit Linked Note or a redemption in accordance with Condition 6(b) (*Early Redemption*), references in this Paragraph 2 to "**Maturity Date**" shall be references to the Automatic Early Redemption Date or such other such date fixed for the redemption of the note (as applicable) and references to the Final Redemption Amount shall be references to the Automatic Early Redemption Amount or the Early Redemption Amount (as applicable).

(c) ***Interest***

Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Interest Payment Date immediately preceding the Credit Event Notice Date or, in the case of a Credit Event Notice Date occurring during the first Interest Period, the Interest Commencement Date.

(d) ***Notification***

The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the relevant Series of Notes (copied to the Issuer) of:

- (i) the giving of any Credit Event Notice; and
- (ii) the determination of any Credit Event Redemption Amounts.

(e) ***Definitions***

For the purposes of this Term, the following terms shall have the meanings set out below:

"**Adjusted Fair Market Value**" means in relation to any Relevant Portion of a Note as of any date its fair market value, as of such date, disregarding the effect of any Credit Event on the value of the Relevant Portion, less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes.

"**Auction**" means, with respect to a Reference Entity and a Credit Event, an auction coordinated by ISDA that relates to the circumstances specified in the relevant Credit Event Notice and that would be applicable to a Notional CDS, as determined by the Calculation Agent.

"**Auction Final Price**" means the relevant auction final price as may be published by ISDA or any administrator of any Auction coordinated by ISDA from time to time and that would be applicable to the Notional CDS, as determined by the Calculation Agent.

"**Credit Event**" means that, in the determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner:

- (i) a Reference Entity has become Insolvent;
- (ii) a Governmental Intervention has occurred in relation to a Reference Entity; or
- (iii) a Restructuring has occurred in relation to a Reference Entity.

**"Credit Event Cash Redemption Amount"** means, in relation to a Relevant Portion of a Note in respect of which a Credit Event Notice has been delivered, the product of:

- (i) the Adjusted Fair Market Value of such Relevant Portion as of the Credit Event Notice Date; and
- (ii) the Recovery Rate in relation to such Relevant Portion.

**"Credit Event Notice"** means, in relation to any Reference Entity, a written notice from the Calculation Agent to the Issuer stating that a Credit Event has occurred and describing, in reasonable detail, the facts relevant to the determination that a Credit Event has occurred.

**"Credit Event Notice Date"** means the date on which the Calculation Agent delivers a Credit Event Notice to the Issuer.

**"Full Quotation"** means each firm bid quotation obtained from a relevant third party market dealer in respect of a Notional CDS having a notional amount equal to the Quotation Amount, or, if the Calculation Agent determines in its absolute discretion that it is not able to obtain at least one such firm bid quotation, each firm bid quotation obtained from a relevant third party market dealer in respect of the unsecured debt of the Reference Entity of a seniority level equivalent to that specified in the Pricing Supplement (or, if a Reference Obligation Replacement Event has occurred, the Replacement Seniority Level) in an amount equal to the Quotation Amount.

**"General Recovery Rate"** means:

- (i) if:
  - (A) ISDA announces by the date that is 30 calendar days after the Maturity Date that an Auction will be held; and
  - (B) the relevant Auction Final Price is determined not later than the date that is 60 calendar days after the Maturity Date,the Auction Final Price; and
- (ii) if:
  - (A) ISDA announces that no Auction will be held; or
  - (B) ISDA has not announced by the date that is 30 calendar days after the Maturity Date that an Auction will be held; or
  - (C) the Auction Final Price is not determined by the date that is 60 calendar days after the Maturity Date; or
  - (D) ISDA does not make any relevant announcement within 180 days of the Credit Event occurring;the Market Value.

**"Governmental Authority"** means, in relation to any Reference Entity:

- (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 such 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) above.

**"Governmental Intervention"** means that, in relation to any Reference Entity and with respect to one or more obligations for the payment or repayment of borrowed money of such Reference Entity, 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 such Reference Entity in a form which is binding:

- (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 for the payment or repayment of borrowed money, causing the subordination of such obligation to any other obligation of the Reference Entity;
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the relevant obligation;
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in (i) to (iii) above.

**"Insolvent"** means, in relation to any Reference Entity:

- (i) it is unable or admits inability to pay its debts as they fall due;
- (ii) it suspends making payments on any of its debts;
- (iii) after the expiration of any applicable grace period (and after the satisfaction of any conditions precedent to the commencement of such grace period), it fails to make, when and where due, any payment under any one or more obligations, in accordance with the terms of such obligations at the time of such failure;
- (iv) a liquidator or administrator or other similar officer has been appointed in relation to such Reference Entity;
- (v) it enters into a company voluntary arrangement or a scheme of arrangement with its creditors; or
- (vi) any Insolvency Proceedings are taken in relation to such Reference Entity.

**"Insolvency Proceedings"** means any legal proceedings in relation to any suspension of payments, moratorium of indebtedness, winding up, dissolution or administration of such person (including, without limitation, any bank insolvency procedure or bank administration procedure under the United Kingdom Banking Act 2009) or any analogous procedure in any jurisdiction.

**"ISDA Credit Derivatives Definitions"** means the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as may be further supplemented from time to time as of the Issue Date; and as may be further supplemented or amended after the Issue Date in accordance with any industry protocols.

**"Market Value"** shall be determined by the Calculation Agent, in accordance with the following provisions if the Recovery Rate is Market Value. In such a case, the Calculation Agent shall attempt to obtain Full Quotations from third party market dealers with respect to the Market Value Determination Date and the **"Market Value"** shall be the amount, expressed as a percentage, equal to:

- (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if multiple Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the Full Quotations having the highest and lowest values (and, if multiple Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (iv) if only one Full Quotation is obtained, such Full Quotation;
- (v) if no Full Quotations are obtained on or prior to the fifth Business Day following the applicable Market Value Determination Date, the value (expressed as a percentage of their principal amount) determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, of the unsubordinated debt obligations of the Reference Entity.

**"Market Value Determination Date"** means:

- (i) in the case of sub-paragraph (A) of paragraph (ii) of the definition of General Recovery Rate, the first Business Day after the date of the relevant announcement;
- (ii) in the case of sub-paragraph (B) of paragraph (ii) of the definition of General Recovery Rate, on the first Business Day falling 30 calendar days after the Maturity Date;
- (iii) in the case of sub-paragraph (C) of paragraph (ii) of the definition of General Recovery Rate, the first Business Day falling 60 calendar days after the Maturity Date; and
- (iv) in the case of sub-paragraph (D) of paragraph (ii) of the definition of General Recovery Rate, 180 days after the occurrence of the Credit Event.

**"Notional CDS"** means, in relation to any Reference Entity, a notional credit derivative transaction entered into on market standard terms:

- (i) incorporating the ISDA Credit Derivatives Definitions;
- (ii) incorporating any supplement incorporated as standard in respect of the relevant Reference Entity and/or the type of transaction (including, but not limited to Additional Provisions for Senior Non-Preferred Reference Obligations published on 8 December 2017);
- (iii) where such market standard terms contemplate an election between referencing senior (preferred/non-preferred) or subordinated obligations, then referencing the

level of seniority of the obligations of the Reference Entity specified in paragraph 35(g) of the applicable Pricing Supplement (or following the occurrence of a Reference Obligation Replacement Event, referencing the Replacement Seniority Level);

- (iv) having a trade date that is the same date as the Issue Date of the Notes and a scheduled termination date that is the same date as the Maturity Date of the Notes; and
- (v) under which any permitted determinations, elections or notices shall be made or deemed sent at the discretion of the Calculation Agent,
- (vi) as determined by the Calculation Agent.

**"Quotation Amount"** means such amount as the Calculation Agent determines in its absolute discretion, having regard, if applicable, to any hedging arrangements that the Issuer may have entered into in relation to the relevant Series of Notes.

**"Recovery Rate"** means:

- (i) General Recovery Rate; or
- (ii) Zero Recovery Rate.

as specified in the applicable Pricing Supplement;

**"Reference Entity"** means, in relation to any Series of Notes, an entity specified as such in the applicable Pricing Supplement, or any Successor(s) to such Reference Entity.

**"Reference Entity Weighting"** means, in relation to any Series of Notes, the weighting assigned to a specific Reference Entity specified as such in the applicable Pricing Supplement or any Successor to such Reference Entity.

**"Reference Obligation Replacement Event"** means circumstances have arisen which in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Pricing Supplement;

**"Replacement Seniority Level"** means, the level of seniority the Calculation Agent, acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority following the occurrence of a Reference Obligation Replacement Event;

**"Restructuring"** means:

- (i) with respect to one or more obligations, any one or more of the following events occurs in a form that binds all holders of such obligation, is agreed between the 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 the 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 date upon which such obligation is issued or incurred:
  - (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

- (C) a postponement or other deferral of a date or dates for either (x) the payment or accrual of interest, or (y) the payment of principal or premium;
  - (D) a change in the ranking in priority of payment of any obligation, causing the subordination of such obligation to any other obligation; or
  - (E) 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).
- (ii) For purposes of paragraph (a) above, the term obligation shall be deemed to include, without limitation, underlying obligations for which the 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 (a) above shall be deemed to refer to the underlying obligor.
  - (iii) If an exchange has occurred, the determination as to whether one of the events described under (A) to (E) above has occurred will be based on a comparison of the terms of the relevant bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**"Succession Event"** means any event (including a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin off or other similar event) which the Calculation Agent determines has resulted in a third party entity succeeding to all or some the obligations of a Reference Entity whether by operation of law (pursuant to any ring fencing provisions or resolution powers under the Banking Act 2009 of the United Kingdom or otherwise) or pursuant to any agreement.

**"Successor"** means an entity which the Calculation Agent has specified, by written notice to the Issuer, as a successor to the Reference Entity following the occurrence of a Succession Event. In specifying a Successor, the Calculation Agent will act in a commercially reasonable manner and, in doing so, is entitled to take into account any hedging position or arrangement that the Issuer or any of its affiliates may have entered into in connection with the Notes but is not required to take into account the interests of the holders of any Notes; and **provided further that**, in circumstances where the Reference Entity is an authorised deposit taking entity, if there are multiple successors to the Reference Entity's obligations, the Calculation Agent is required, to the extent possible, to specify as the Successor a successor entity which is not carrying on business as an authorised deposit taker, or in the event that this is not possible, the successor entity for which such deposit taking business is the least significant part of its business.

**"Zero Recovery Rate"** means, in relation to any Reference Entity, zero.

### 3. **ISDA CREDIT LINKAGE**

- (a) This Term only applies to Credit Linked Notes in relation to which the applicable Pricing Supplement specifies that ISDA Credit Linkage applies.
- (b) ***Parallel Credit Linkage***

If Parallel Credit Linkage Provisions are specified as being applicable in the relevant Pricing Supplement, then (i) if a Reference Entity is subject to a CDS Event, the provisions of sub-paragraph (c) (*Redemption and Settlement following CDS Event Notice*) shall apply as stated and (ii) if a Parallel Reference Entity is subject to the CDS Event, the provisions of sub-paragraph (c) (*Redemption and Settlement following CDS Event Notice*) shall be read so that references to the **"Relevant Portion"** shall be references to 100% of the Note and references to the **"Reference Entity"** shall be references to the **"Parallel Credit Reference Entity"**.

(c) ***Redemption and Settlement following CDS Event Notice***

(i) Subject to sub-paragraph (b) (*Parallel Credit Linkage*) above, if the Calculation Agent delivers a CDS Event Notice to the Issuer in relation to a Reference Entity prior to the Maturity Date (as may be extended pursuant to sub-paragraph (iii) (*Maturity Date Extension*) below), then:

(A) if "Option A" is specified as applicable in relation to CDS Event Redemption Amount, the Calculation Agent shall determine the Adjusted Fair Market Value of such Relevant Portion as of the Event Determination Date;

(B) the Issuer shall not redeem such Relevant Portion on the Maturity Date but shall instead redeem such Relevant Portion on its CDS Event Redemption Date at its CDS Event Redemption Amount and the Issuer shall have no other payment obligations in respect of any Relevant Portion of the Notes in respect of which a CDS Event Notice has been delivered (and, in particular, but without limiting the generality of the foregoing, shall have no obligation to pay the Final Redemption Amount that would otherwise be payable by the Issuer on the Maturity Date in respect of such Relevant Portion); and

(C) in relation to (i) any Relevant Portion of the Note in respect of which no CDS Event Notice has been delivered and (ii) any portion of the Note which is not Credit Linked, the Final Redemption Amount payable in accordance with Condition 6(a)(i) (*Final Redemption*) shall be calculated in accordance with the Conditions, Terms and applicable Pricing Supplement without regard to the provisions of this Part E *provided that* for the purposes of such calculation, to the extent that the CDS Event Redemption Date in relation to any Relevant Portion in respect of which a CDS Event Notice has been delivered falls after the Maturity Date, the outstanding notional amount of such Notes will be deemed to be reduced in proportion with any such Relevant Portion(s).

(ii) The Calculation Agent shall, on behalf of the Issuer, give notice to the holders of the relevant Series of Notes (copied to the Issuer) of:

(A) the giving of any CDS Event Notice; and

(B) the determination of any CDS Event Redemption Date or CDS Event Redemption Amount.

(iii) ***Maturity Date Extension***

If the Calculation Agent determines at any time prior to the Maturity Date that an Event Determination Date may occur or may be determined under the Notional CDS following the Maturity Date, it shall give notice (an "**Extension Notice**") to the holders of the relevant Series of Notes (with a copy to the Issuer) stating that the Maturity Date of the Relevant Portion of the Notes shall be extended to the date that is three Business Days following the date the Calculation Agent determines an Event Determination Date will not occur under the Notional CDS.

(iv) ***Interest***

Interest (if any) on the Relevant Portion of the Notes shall cease to accrue from (but excluding) the Event Determination Date immediately preceding the CDS Event Notice Date or, in the case of a CDS Event Notice Date occurring during the first Interest Period, the Interest Commencement Date.

(v) *Interest Postponement*

If the Calculation Agent determines that the Credit Derivatives Determinations Committee is considering a request as to whether or not a CDS Event has occurred in respect of the Reference Entity and any resolution would be relevant to the Notional CDS and the Credit Derivatives Determinations Committee has not resolved the issue as of an Interest Payment Date under the Notes, payment of interest otherwise due on the Notes on such date will be suspended. If the Calculation Agent subsequently determines that no Event Determination Date occurred under the Notional CDS, such interest amount shall be payable on the Notes on the second Business Day after such determination. If the Calculation Agent determines that an Event Determination Date occurred under the Notes and the CDS prior to the relevant Interest Payment Date, no payment of the suspended interest will be made. No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to this paragraph (v). The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 (*Notices*) as soon as is reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this paragraph (v).

(vi) *Restructuring CDS Event*

If the Calculation Agent determines that any Event Determination Date under the Notional CDS is in relation to a "**Restructuring**" CDS Event under the Notional CDS, the Calculation Agent may deliver multiple CDS Event Notices in relation to such Relevant Portion as if multiple Event Determination Dates had occurred under the Notional CDS. If the Calculation Agent delivers a CDS Event Notice in respect of part only of the Relevant Portion, the Calculation Agent shall specify in such CDS Event Notice the principal amount of such part and the provisions of sub-paragraph (c) (*Redemption and Settlement following CDS Event Notice*) below shall apply only to such part of the Relevant Portion. The provisions of this Term shall continue to apply to any subsequent CDS Event Notice(s) delivered in respect of such remaining Relevant Portion.

(vii) *Early Redemption*

If, following a CDS Event Notice Date, an Automatic Early Redemption Event occurs in respect of any Credit Linked Note or a redemption in accordance with Condition 6(b) (*Early Redemption*), references in this Paragraph 3 to "**Maturity Date**" shall be references to the Automatic Early Redemption Date or such other such date fixed for the redemption of the Note (as applicable) and references to the Final Redemption Amount shall be references to the Automatic Early Redemption Amount or the Early Redemption Amount (as applicable).

(d) *Removal of Reference Entities*

- (i) The applicable Pricing Supplement shall specify whether any or all of the Reference Entities will be removed as Reference Entities during the life of the Notes. If a Reference Entity Removal Date is specified in relation to a Reference Entity, on such date the relevant Reference Entity will cease to be a Reference Entity in relation to the Notes.
- (ii) If one or more (but not all) of the Reference Entities are removed during the life of the Notes, the Reference Entity Removal Provisions in the applicable Pricing Supplement will specify whether, after the removal of such Reference Entity or Reference Entities, the Relevant Portion or Relevant Portions in relation to such Reference Entity or Reference Entities will be adjusted or unadjusted.
  - (A) If the Relevant Portion or Portions relating to a Reference Entity or Reference Entities which have been removed is specified to be adjusted, the Reference Entity Weighting in respect of the remaining Reference



Entity or Reference Entities will be adjusted (in equal proportions) to include the Relevant Portion or Relevant Portions in relation to the Reference Entity or Reference Entities which have been removed.

- (B) If the Relevant Portion or Portions relating to a Reference Entity or Reference Entities which have been removed is specified to be unadjusted, such portion of the Notes will cease to be Credit Linked.

(e) ***Substitution***

On the occurrence of a Substitution Event in relation to a Reference Obligation or a Parallel Reference Obligation, the Issuer may replace the Reference Obligation or Parallel Reference Obligation (as applicable) with a "**Substitute Reference Obligation**" (as determined in accordance with the relevant Notional CDS) on providing written notice to Noteholders in accordance with Condition 13 (*Notices*).

(f) ***Definitions***

Terms used in these Additional Terms for Credit Linked Notes but not defined in the Conditions shall have the meanings set out below or if not defined below, the 2014 ISDA Credit Derivatives Definitions, (as defined below):

"**Adjusted Fair Market Value**" means, in relation to any Note or Relevant Portion thereof as of any date, its fair market value as of such date less any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes or Relevant Portions thereof (as the case may be) in respect of the early redemption of the Notes (all as determined by the Calculation Agent without taking into account the occurrence of a CDS Event with respect to the relevant Reference Entity).

"**Auction Final Price**" means the relevant auction final price as may be published by ISDA or any administrator of any auction coordinated by ISDA from time to time and that would be applicable to the Notional CDS.

"**CDS Event Notice**" means, in relation to any Reference Entity or Parallel Reference Obligation (as applicable), a written notice from the Calculation Agent to the Issuer stating that in the determination of the Calculation Agent an Event Determination Date would have occurred under the relevant Notional CDS.

"**CDS Event Notice Date**" means the date on which the Calculation Agent gives a CDS Event Notice to the Issuer.

"**CDS Event Redemption Amount**" means, in relation to a Relevant Portion of a Note in respect of which a CDS Event Notice has been delivered, either:

- (a) if Option A is specified as applicable (in paragraph 35(c) of the applicable Pricing Supplement in relation to a Reference Entity and paragraph 35(j) of the applicable Pricing Supplement in relation to a Parallel Credit Reference Entity), the product of:
- (i) the Recovery Rate in relation to such Relevant Portion; and
  - (ii) the Adjusted Fair Market Value of such Relevant Portion as of the CDS Event Notice Date; or
- (b) if Option B is specified as applicable (in paragraph 35(c) of the applicable Pricing Supplement in relation to a Reference Entity and paragraph 35(j) of the applicable Pricing Supplement in relation to a Parallel Credit Reference Entity), the sum of:
- (i) the product of (i) the outstanding notional amount of such Relevant Portion as of the CDS Event Notice Date, and (ii) the Recovery Rate in relation to such Relevant Portion; and

- (ii) any gain, loss, expenses, fee or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with such Relevant Portion as of the Credit Event Notice Date.

**"CDS Event Redemption Date"** means, in relation to the Relevant Portion of a Note relating to a Reference Entity, the date falling three Business Days after the Settlement Date under the relevant Notional CDS.

**"CDS Valuation Date"** means the date that is five Business Days after the Event Determination Date;

**"Credit Derivatives Determinations Committee"** means the relevant committee established by ISDA for the purposes of reaching certain resolutions in connection with credit derivatives transactions that would include the Notional CDS;

**"Event Determination Date"** shall have the meaning given such term in the Notional CDS;

**"Full Quotation"** means each firm bid quotation (expressed as a percentage of the outstanding principal balance of the Reference Obligation or Parallel Reference Obligation (as applicable)) obtained from a Relevant Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligations or Parallel Reference Obligations (as applicable) the case may be, with an outstanding principal balance equal to the Quotation Amount;

**"General Recovery Rate "** means in relation to any Reference Entity or Parallel Credit Reference Entity (as applicable), the Auction Final Price or, if the Calculation Agent determines no relevant Auction will be held, the Final Price (as applicable) that would be applicable under the relevant Notional CDS if Cash Settlement were the applicable Fallback Settlement Method and the Reference Obligation or Parallel Reference Obligation (as applicable) was any one or more Obligations, as selected by the Calculation Agent in its sole and absolute discretion, that would have constituted Deliverable Obligations in respect of the Notional CDS, subject, if applicable, to the Recovery Rate Gearing specified in the applicable Pricing Supplement;

**"ISDA Credit Derivatives Definitions"** means the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as may be further supplemented from time to time as of the Issue Date; and as may be further supplemented or amended after the Issue Date in accordance with any industry protocols;

**"Market Value"** means, with respect to a Reference Obligation or Parallel Reference Obligation (as applicable) on the CDS Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;

- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable CDS Valuation Date the Market Value shall be any Full Quotation obtained from a Relevant Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Parallel Reference Obligation (as applicable), as the case may be, obtained from Relevant Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;

**"Notional CDS"** means, in relation to any Reference Entity or Parallel Credit Reference Entity (as applicable), a notional credit derivative transaction entered into on market standard terms:

- (a) incorporating the ISDA Credit Derivatives Definitions;
- (b) incorporating any supplement incorporated as standard in respect of the relevant Reference Entity and/or the type of transaction (including, but not limited to Additional Provisions for Senior Non-Preferred Reference Obligations published on December 8, 2017),
- (c) referencing the Reference Obligation (where Specific Recovery is specified to apply) or, otherwise, obligations of the Seniority Level specified in paragraph 35(g) of the applicable Pricing Supplement in relation to a Reference Entity and paragraph 35(k) of the applicable Pricing Supplement in relation to a Parallel Credit Reference Entity (or following the occurrence of a Reference Obligation Replacement Event, referencing the Replacement Seniority Level);
- (d) having a trade date that is the same date as the Issue Date of the Notes and a scheduled termination date that is the same date as the Maturity Date of the Notes; and
- (e) the remaining terms as to credit linkage are consistent with the terms of such Credit Linked Note as it relates to such Reference Entity or Parallel Credit Reference Entity (as applicable); and
- (f) under which any permitted determinations, elections or notices shall be made or deemed sent at the discretion of the Calculation Agent,

as determined by the Calculation Agent.

**"Parallel Credit Reference Entity"** means, in relation to any Series of Notes, an entity specified as such in the applicable Pricing Supplement or any successor thereto that the Calculation Agent determines would be a successor to such entity under the relevant Notional CDS;

**"Parallel Reference Obligation"** means, in relation to any Series of Notes, any obligation specified as such in the applicable Pricing Supplement, or if a Substitute Reference Obligation is determined in relation to such Parallel Reference Obligation, such Substitute Reference Obligation;

**"Quotation"** means, in respect of a Reference Obligation or Parallel Reference Obligation (as applicable) each Full Quotation and the Weighted Average Quotation obtained and

expressed as a percentage with respect to a Relevant CDS Valuation Date in the manner that follows:

- (a) the Calculation Agent shall attempt to obtain Full Quotations with respect to each Relevant CDS Valuation Date from five or more Relevant Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a CDS Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the such CDS Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Relevant Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation;
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the Relevant CDS Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Relevant Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Parallel Reference Obligation (as applicable) obtained from Relevant Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day;
- (c) The Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation or Parallel Reference Obligation (as applicable) whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination; and
- (b) if any Quotation obtained with respect to an accreting obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the outstanding principal balance of the Reference Obligation or Parallel Reference Obligation (as applicable);

**"Quotation Amount"** means with respect to a Reference Obligation or Parallel Reference Obligation (as applicable), the amount specified in the applicable Pricing Supplement (which may be specified by reference to an amount in a currency or by reference to Representative Amount) or, if no amount is so specified an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent;

**"Recovery Rate"** means:

- (a) General Recovery Rate;
- (b) Specific Recovery Rate; or
- (c) Zero Recovery Rate.

so specified in paragraph 35(e) of the applicable Pricing Supplement in relation to a Reference Entity and paragraph 35(k) of the applicable Pricing Supplement in relation to a Parallel Credit Reference Entity, and if the applicable Pricing Supplement does not specify a Reference Obligation or Parallel Reference Obligation (as applicable), then the General Recovery Rate shall apply;

**"Recovery Rate Gearing"** if applicable, the percentage by which any change in the level of the Index is multiplied, (as specified in the applicable Pricing Supplement;

**"Reference Entity"** means, in relation to any Series of Notes, an entity specified as such in the applicable Pricing Supplement or any successor thereto that the Calculation Agent determines would be a successor to such entity under the relevant Notional CDS;

**"Reference Entity Removal Date"** means the date on which a Reference Entity will be removed, as specified in the applicable Pricing Supplement;

**"Reference Entity Weighting"** means, in relation to any Series of Notes, the weighting assigned to a specific Reference Entity specified as such in the applicable Pricing Supplement;

**"Reference Obligation"** means, in relation to any Series of Notes, any obligation specified as such in the applicable Pricing Supplement;

**"Reference Obligation Replacement Event"** means circumstances have arisen which in the opinion of the Calculation Agent would make it impossible or impractical to maintain a credit derivative transaction referencing obligations of the level of seniority initially set out in the Pricing Supplement;

**"Relevant Dealer"** means, a dealer in obligations of the type of the Reference Obligation, as determined by the Calculation Agent;

**"Replacement Seniority Level"** means, the level of seniority the Calculation Agent, acting reasonably and taking into account all relevant factors (including any common or established market practice), deems to be most appropriate to replace the originally specified level of seniority following the occurrence of a Reference Obligation Replacement Event;

**"Specific Recovery Rate"** means in relation to any Reference Entity and a specified Reference Obligation, the Market Value of such Reference Obligation as determined by the Calculation Agent, subject, if applicable, to the Recovery Rate Gearing specified in the applicable Pricing Supplement;

**"Substitution Event"** means the determination by the Credit Derivatives Determinations Committee or the Calculation Agent (as applicable) that any one or more of the following events has occurred:

- (a) the original Reference Obligation or Parallel Reference Obligation (as applicable) is redeemed in whole;
- (b) a substantial reduction of the aggregate amounts due under the original Reference Obligation or Parallel Reference Obligation (as applicable); or
- (c) for any reason, other than due to the delivery of a CDS Event Notice, the original Reference Obligation or Parallel Reference Obligation (as applicable) is no longer an obligation of the Reference Entity or Parallel Credit Reference Entity (as applicable);

**"Weighted Average Quotation"** means, in accordance with the bid quotations provided by the Relevant Dealers, the weighted average of firm quotations obtained from the Relevant Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation or Parallel Reference Obligation (as applicable) with an outstanding principal balance of as large a size as available but less than the Quotation Amount (but of a size equal to USD1,000,000 (or its equivalent in the relevant currency of the Reference Obligation or Parallel Reference Obligation (as applicable)) or, if quotations of such size are not available, quotations as near in size thereto as practicable) that in the aggregate are approximately equal to the Quotation Amount; and

**"Zero Recovery Rate"** means in relation to any Reference Entity or Parallel Credit Reference Entity (as applicable), zero.

## GLOSSARY

The following is a glossary explaining certain technical terms used in this Offering Memorandum.

a <b>"charge"</b>	means an English law security interest that does not transfer an ownership interest in the asset which is the subject of the security and, which, among other things typically gives to the secured party a right to sell the asset upon enforcement of the charge and to apply the proceeds in or towards satisfaction of the obligations secured by it.
<b>"Credit Derivatives Determinations Committee"</b>	means a relevant committee established by ISDA for the purposes of reaching certain resolutions in connection with credit derivatives transactions.
<b>"FATCA"</b>	means sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (as amended or successor provisions).
a <b>"fixed charge"</b>	means a charge over an asset which attaches to the asset upon the creation of the charge or (if later) upon the security-giver acquiring the asset.
a <b>"floating charge"</b>	means a charge which does not initially attach to specific assets but instead attaches to a shifting fund of assets over which it "hovers". On or before enforcement it "crystallises" and attaches to the specific assets comprised in the shifting fund at that time.
<b>"global form"</b>	means notes will be initially issued in the form of a global note.
<b>"ISDA"</b>	means the International Swaps and Derivatives Association, Inc.
<b>"Hedging Event"</b>	means the occurrence of any event or circumstance that would make it impossible or impracticable for the Issuer or any counterparty of the Issuer to enter or maintain any hedging arrangement that the Issuer deems necessary in respect of the Notes, or that increases the cost to the Issuer or such counterparty (as compared to the cost at the Issue Date) of entering into or maintaining such hedging arrangement.
<b>"Reference Entity"</b>	means in relation to a Credit Linked Note, one or more financial institutions, corporations and/or sovereign entity or entities or any successor(s) thereto.
<b>"Reference Obligation"</b>	means in relation to a Credit Linked Note, a debt obligation of the relevant Reference Entity as specified in the applicable Pricing Supplement.
<b>"regulated market"</b>	means a regulated market for the purposes of EU Directive 2014/65/EU ("MiFID II").
<b>"subordination"</b>	means, in relation to an obligations of a Reference Entity, a subordinated obligation of a company under which the lender's claim is not to be paid until the claims of senior lenders have been paid in full. In event of a bankruptcy, the subordinated claims will only be paid after any senior finance has been repaid in full. Refer to the diagram below for further information on subordination in relation to a hypothetical Reference Entity.
<b>"Uncertificated Registered Notes"</b>	means Notes in uncertificated registered form (such Notes being recorded on a register as being held in uncertificated book-entry form).

Diagram providing a further illustrative explanation in relation to subordination:

	Type of obligation	Examples of Reference Entity obligations
<b>Higher ranking</b>	Proceeds of a fixed charge over assets of the Reference Entity	
	Expenses of the liquidation/administration	
	Preferential creditors	Including remuneration due to employees of the Reference Entity.
	Proceeds of a floating charge over assets of the Issuer	
	Unsecured senior obligations	For example, certain of the Reference Entity's trading liabilities and unsecured debt obligations.
	Unsecured subordinated obligations	For example, the Reference Entity's subordinated liabilities.
<b>Lower ranking</b>	Shareholders	The ordinary shareholders of the Reference Entity

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