

**LISTING PARTICULARS**

Listing Particulars dated 15 January 2019

**J.P.Morgan**

**J.P. MORGAN STRUCTURED PRODUCTS B.V.**

*(incorporated with limited liability in The Netherlands)*

**as Issuer**

**JPMORGAN CHASE BANK, N.A.**

*(a national banking association organised under the laws of the United States of America)*

**as Guarantor in respect of**

**Listing of USD 5,000,000 Credit Linked Notes linked to the credit of Republic of Italy due January 2021**

**(the "Notes" or the "Securities")**

**(ISIN: XS1905583719)**

**Structured Products Programme for the issuance of  
Notes, Warrants and Certificates**

These Listing Particulars (as defined below) are prepared in conjunction with the Securities issued by J.P. Morgan Structured Products B.V. (the "**Issuer**" or "**JPMSP**") under its Structured Products Programme for the issuance of Notes, Warrants and Certificates (the "**Programme**") and guaranteed by JPMorgan Chase Bank, N.A. (the "**Guarantor**" under the JPMorgan Chase Bank, N.A. Guarantee (as defined in the Offering Circular (defined below)). These Listing Particulars are not a prospectus published in accordance with the requirements of the EU Prospectus Directive.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the approval of this document as Listing Particulars (the "**Listing Particulars**") and for the Securities to be admitted to the Official List of Euronext Dublin and to trading on the Global Exchange Market of Euronext Dublin which is the exchange regulated market of Euronext Dublin. These Listing Particulars (including the Pricing Supplement dated 15 January 2019 contained herein), together with the documents incorporated by reference herein, comprise the listing particulars approved by Euronext Dublin pursuant to the listing and admission to trading rules of Euronext Dublin as required for the admission to the Official List of Euronext Dublin and to trading on the Global Exchange Market of Euronext Dublin of the Securities. Full information on the Issuer and the Guarantor and the issue of the Securities is only available on the basis of the combination of the provisions set out within these Listing Particulars and the information incorporated by reference herein. These Listing Particulars may be used only for the purposes for which they have been published.

These Listing Particulars (including all documents incorporated by reference herein) are available from The Bank of New York Mellon S.A./N.V., Dublin Branch, at Riverside 2, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, Ireland, and in electronic form on the Euronext Dublin's website ([www.ise.ie](http://www.ise.ie)).

If the information in these Listing Particulars differs from the information contained in the Pricing Supplement dated 15 January 2019 or any of the documents incorporated by reference herein, you should rely on the information stated in these Listing Particulars.

**If you purchase the Securities described in these Listing Particulars after the date hereof, you should review the most recent restatement (if any) of the Offering Circular and each supplement thereafter up to (and including) the date of purchase to ensure that you have the most up to date information on the Issuer and the Guarantor on which to base your investment decision (note that the terms and conditions of the Securities will remain as described in the Pricing Supplement contained in these Listing Particulars and the version of the Offering Circular described in the section entitled "Incorporation by Reference" of these Listing Particulars, subject to any amendments notified to the Holder). Each supplement and restatement (if any) to the Offering Circular can be found on ([www.bourse.lu](http://www.bourse.lu)) and ([www.ise.ie](http://www.ise.ie)).**

*Responsibility Statement:* Each of JPMSP and JPMorgan Chase Bank, N.A. accepts responsibility for the information given in these Listing Particulars and confirms that, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

*No authorisation of any person to give any information other than as set out in these Listing Particulars:* No person has been authorised to give any information or to make any representation other than as contained in these Listing Particulars in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, JPMorgan Chase Bank, N.A., as a Guarantor, or J.P. Morgan Securities plc as Dealer.

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## **RISK FACTORS**

An investment in the Securities involves complex risks. Prospective investors should refer to the risk factors set forth in the section entitled "*Risk Factors*" (including the introductory paragraph thereto) contained on pages 30 to 110 (both inclusive) of the Offering Circular (as defined in "*Incorporation by Reference*" below) as well as the risk factors set forth in the section entitled "*Risk Factors*" in the pricing supplement set out in these Listing Particulars below.

## INCORPORATION BY REFERENCE

These Listing Particulars should be read and construed in conjunction with the documents incorporated by reference into these Listing Particulars and each supplement (if any) to these Listing Particulars. The information contained in the following documents is hereby incorporated by reference into these Listing Particulars and deemed to form a part of these Listing Particulars:

- (i) the offering circular dated 25 April 2018 relating to issues of non-equity securities under the Programme by J.P. Morgan Structured Products B.V., JPMorgan Chase Financial Company LLC, JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. (the "**Offering Circular**");
- (ii) Supplement No. 1 dated 11 May 2018 to the Offering Circular ("**Supplement No. 1 to the Offering Circular**");
- (iii) Supplement No. 2 dated 27 July 2018 to the Offering Circular ("**Supplement No. 2 to the Offering Circular**");
- (iv) Supplement No. 3 dated 14 August 2018 to the Offering Circular ("**Supplement No. 3 to the Offering Circular**");
- (v) Supplement No. 4 dated 27 September 2018 to the Offering Circular ("**Supplement No. 4 to the Offering Circular**");
- (vi) Supplement No. 5 dated 26 October 2018 to the Offering Circular ("**Supplement No. 5 to the Offering Circular**"); and
- (vii) Supplement No. 6 dated 9 November 2018 to the Offering Circular ("**Supplement No. 6 to the Offering Circular**").

The table below sets out the relevant page references for the information incorporated into these Listing Particulars by reference.

<b>Information incorporated by reference</b>	<b>Page reference</b>
<i>From the Offering Circular</i>	
Important Notices	Pages 1 to 8
Cautionary Note Regarding Forward-Looking Statements	Pages 9 to 10
Summary of the Programme	Pages 11 to 29
Risk Factors	Pages 30 to 110
Conflicts of Interest	Pages 111 to 113
Documents Incorporated by Reference	Pages 114 to 127
General Description of the Programme	Pages 128 to 132
Commonly Asked Questions	Pages 133 to 152
Overview of the Potential for Discretionary Determinations by the Calculation Agent and the Issuer	Pages 153 to 164
General Conditions	Pages 165 to 279
Use of Proceeds	Page 429
Form of JPMorgan Chase Bank, N.A. Guarantee	Pages 430 to 433
JPMorgan Chase & Co.	Pages 438 to 459

<b>Information incorporated by reference</b>	<b>Page reference</b>
JPMorgan Chase Bank, N.A.	Pages 460 to 471
J.P. Morgan Structured Products B.V.	Pages 472 to 475
Book-Entry Clearing Systems	Pages 478 to 481
Subscription and Sale	Pages 482 to 514
Purchaser Representations and Requirements and Transfer Restrictions	Pages 515 to 552
Certain ERISA Considerations	Pages 553 to 558
Taxation	Pages 559 to 645
Important Legal Information	Pages 646 to 647
General Information	Pages 648 to 652
Index of Defined Terms	Pages 656 to 665
 <b><i>From Supplement No. 1 to the Offering Circular</i></b>	
Incorporation of the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 31 March 2018, containing the unaudited consolidated financial statements of JPMorgan Chase & Co. for the quarter ended 31 March 2018	Pages 2 to 3
Amendments to the section entitled " <i>Form of Pricing Supplement</i> "	Pages 3 to 4
Amendments to the section entitled " <i>Subscription and Sale</i> "	Page 4
Amendments to the section entitled " <i>JPMORGAN CHASE &amp; CO.</i> "	Pages 4 to 5
Amendments to the section entitled " <i>General Information</i> "	Page 5
 <b><i>From Supplement No. 2 to the Offering Circular</i></b>	
Incorporation of the Current Report on Form 8-K of JPMorgan Chase & Co. dated 13 July 2018, containing the earnings press release of JPMorgan Chase & Co. for the quarter ended 30 June 2018	Page 2
Amendments to the section entitled " <i>JPMorgan Chase Bank, N.A.</i> " in the Offering Circular	Page 3
 <b><i>From Supplement No. 3 to the Offering Circular</i></b>	
Incorporation of the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 30 June 2018, containing the unaudited consolidated financial statements of JPMorgan Chase & Co. for the quarter ended 30 June 2018	Pages 2 to 3
Incorporation of the unaudited Consolidated Financial Statements of JPMorgan Chase Bank, N.A. for the six months ended 30 June 2018, containing the unaudited consolidated financial statements of JPMorgan Chase Bank, N.A. for the six months ended 30 June 2018	Page 4
Amendments to the section entitled " <i>JPMorgan Chase &amp; Co.</i> "	Page 4
Amendments to the section entitled " <i>JPMorgan Chase Bank, N.A.</i> "	Page 5
Amendments to the section entitled " <i>General Information</i> "	Pages 5 to 6

<b>Information incorporated by reference</b>	<b>Page reference</b>
<b><i>From Supplement No. 4 to the Offering Circular</i></b>	
Incorporation of the J.P. Morgan Structured Products B.V. Financial Statements for the six month period ended 30 June 2018, containing the unaudited consolidated financial statements of J.P. Morgan Structured Products B.V. for the quarter ended 30 June 2018	Page 2
Amendments to the section entitled " <i>J.P. Morgan Structured Products B.V.</i> "	Pages 2 to 3
Amendments to the section entitled " <i>General Information</i> "	Page 3
<b><i>From Supplement No. 5 to the Offering Circular</i></b>	
Incorporation of the Current Report on Form 8-K of JPMorgan Chase & Co. dated 12 October 2018, containing the earnings press release of JPMorgan Chase & Co. for the quarter ended 30 September 2018	Pages 2 to 3
<b><i>From Supplement No. 6 to the Offering Circular</i></b>	
Incorporation of the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 30 September 2018, containing the unaudited consolidated financial statements of JPMorgan Chase & Co. for the quarter ended 30 September 2018	Pages 2 to 4
Amendments to the section entitled " <i>JPMorgan Chase &amp; Co.</i> "	Page 4
Amendments to the section entitled " <i>General Information</i> "	Pages 4 to 5

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of the Securities. Any statement contained in a document, all or the relevant portion of which is incorporated by reference into these Listing Particulars, shall be deemed to be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained in these Listing Particulars or in any supplement to these Listing Particulars, including any documents incorporated therein by reference, modifies or supersedes such earlier statement. The documents incorporated by reference will be available on the Euronext Dublin's website ([www.ise.ie](http://www.ise.ie)).

## PRICING SUPPLEMENT

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Securities 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**"). 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 (as may be amended or replaced from time to time, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, 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 Directive (as defined below). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as may be amended or replaced from time to time, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. Notwithstanding the above, if the Issuer subsequently prepares and publishes a key information document under the PRIIPs Regulation in respect of the Securities, then the prohibition on the offering, sale or otherwise making available the Securities to a retail investor as described above shall no longer apply.

Pricing Supplement dated 15 January 2019

### **J.P. Morgan Structured Products B.V.**

#### **Structured Products Programme for the issuance of Notes, Warrants and Certificates**

#### **Guaranteed by**

#### **JPMorgan Chase Bank, N.A.**

**USD 5,000,000 Credit Linked Notes linked to the credit of Republic of Italy due January 2021** (the "**Notes**" or the "**Securities**")

The offering circular dated 25 April 2018 and the Supplements to the offering circular listed in Annex C hereto (as so supplemented, the "**Offering Circular**") (as completed and (if applicable) amended by this Pricing Supplement) have been prepared on the basis that any offer of Securities in any Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Securities may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The Securities will not be offered, sold or otherwise distributed in or from Switzerland and neither this Pricing Supplement nor any other document relating to the Securities may be distributed in or from Switzerland in connection with any such offering or distribution, except to individually selected qualified investors within the meaning of, and in accordance with, the Swiss Federal Act on Collective Investment Schemes.

**If you purchase the Securities described in this Pricing Supplement after the date hereof, you should review the most recent restatement (if any) of the Offering Circular and each supplement thereafter**

**up to (and including) the date of purchase to ensure that you have the most up to date information on the Issuer and (if applicable) the Guarantor on which to base your investment decision (note that the terms and conditions of the Securities will remain as described in this Pricing Supplement and the version of the Offering Circular described above, subject to any amendments notified to Holders). Each supplement and restatement (if any) to the Offering Circular can be found on ([www.bourse.lu](http://www.bourse.lu)) and ([www.ise.ie](http://www.ise.ie))**

## **RISK FACTORS**

### **Purchase of these Securities involves substantial risks**

Investors should ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Securities. Investors should make all pertinent inquiries they deem necessary without relying on the Issuer, the Guarantor, or the Dealer. Investors should consider the suitability of the Securities as an investment in light of their own circumstances, investment objectives, tax position and financial condition. Investors should consider carefully all the information set forth in this Pricing Supplement along with all the information set forth in the Offering Circular. Investors should pay particular attention to the section entitled "*Risk Factors*" in the Offering Circular (pages 30 to 110 inclusive).

**Unregulated Securities: The Securities do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not subject to supervision by the Swiss Financial Market Supervisory Authority FINMA**

None of the Securities constitutes a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and none of the Securities is subject to approval, registration or supervision by the Swiss Financial Market Supervisory Authority FINMA or any other regulatory authority in Switzerland. Accordingly, investors do not have the benefit of the specific investor protection provided under the Swiss Federal Act on Collective Investment Schemes and are exposed to the credit risk of the Issuer and Guarantor.

#### **1. General**

##### **1.1 *Investors in Securities may receive back less than the original invested amount***

Investors in Securities may lose up to the entire value of their investment in the Securities as a result of the occurrence of any one or both of the following events:

- (i) the Issuer and Guarantor of the Securities are subject to insolvency proceedings or some other event impairing the ability of each to meet its obligations under the Securities; and
- (ii) the investor seeks to sell the Securities prior to the maturity of the Securities, and the sale price of the Securities in the secondary market is less than the investor's initial investment.

Investors in Securities may also lose some of the value of their investment in the Securities as a result of the occurrence of an Event Determination Date in respect of the Reference Entity (see below).

The obligations of the Issuer and Guarantor of the Securities are not secured. Notwithstanding that the Securities are linked to the performance of the Reference Entity, investors in such Securities do not have and shall not receive any rights in respect of any obligation of the Reference Entity and shall have no right to call for any obligation of the Reference Entity to be delivered to them. Neither the Issuer nor the Guarantor of the Securities shall be required to hold any obligation of the Reference Entity.

##### **1.2 *The Securities may not be a suitable investment for all investors***

Each investor in the Securities must determine the suitability of such investment in light of the investor's own circumstances. In particular, each investor should:

- (i) have sufficient knowledge and experience (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional

advisers) to evaluate the Securities, the merits and risks of investing in the Securities, all information contained or incorporated by reference into this document;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the investor's particular financial situation, an investment in the Securities and the impact the Securities will have on the investor's overall investment portfolio and financial position;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the settlement currency is different from the currency in which such investor's principal financial activities are principally denominated;
- (iv) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the terms of the Securities, including certain agreements and representations that any person who purchases Securities at any time is required to make, or is deemed to have made, as a condition to purchasing such Security or any legal or beneficial interest therein, and be familiar with any relevant financial markets;
- (v) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the nature of the Reference Obligation and how the respective performance or value thereof may affect the pay-out and value of the Securities; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser and/or other professional adviser) possible scenarios for economic, interest rate and other factors that may affect the return on the Securities and the investor's ability to bear the applicable risks.

The Securities are complex financial instruments and may include embedded derivatives. An investor should not invest in Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how such Securities will perform under changing conditions, the resulting effects on the value of those Securities and the impact that such Securities will have on the investor's overall investment portfolio.

None of the Issuer, Guarantor, Dealer or any J.P. Morgan affiliate has given, and will not give, to any investor in the Securities (either directly or indirectly) any assurance or guarantee as to the merits, performance or suitability of such Securities, and the investor should be aware that the Issuer is acting as an arm's-length contractual counterparty and not as an advisor or fiduciary.

## 2. **Risk factors that are generic to structured Securities**

### 2.1 ***The Issue Price of the Securities may be more than the market value of such Securities as at the Issue Date and the price of the Securities in secondary market transactions***

The Issue Price in respect of the Securities may be more than the market value of the Securities as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions. In particular, where permitted by applicable law, the Issue Price in respect of the Securities may take into account amounts with respect to commissions relating to the issue and sale of such Securities and amounts relating to the hedging of the Issuer's obligations under such Securities.

### 2.2 ***The market value and the amount payable on early termination of the Securities may be adversely affected by a number of factors, and the price if any at which a Holder of those Securities may be able to sell such Securities may be at a substantial discount to the market value of such Securities on the Issue Date, and a Holder may suffer a loss of some or up to all of the entire invested amount of the Securities***

#### (i) ***The Securities are subject to the credit risk of the Issuer and Guarantor***

The Securities are subject to the credit risk of the Issuer and Guarantor and changes in their respective credit spreads and, in the case of the Guarantor, its credit ratings may

adversely affect the market value of the Securities. Investors are dependent on the Issuer's and Guarantor's ability to pay all amounts due on the Securities, and therefore investors are subject to the credit risk of such JPMorgan Chase entities and to changes in the market's view of the creditworthiness of such JPMorgan Chase entities. If the Issuer and Guarantor were to default on its payment or other obligations, an investor may not receive any amounts owed to it under the Securities and could lose its entire investment.

- (ii) ***The credit rating of JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. may move independently of each other***

JPMorgan Chase & Co. is the holding company of JPMorgan Chase. As such, JPMorgan Chase & Co. and its subsidiaries (other than JPMorgan Chase Bank, N.A.) are generally permitted to undertake a wider range of activities than JPMorgan Chase Bank, N.A. and its subsidiaries. As a result, while the credit rating of JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A. are closely related, those credit ratings are usually different and, in the event of any change in those credit ratings, those ratings may move independently of each other. JPMorgan Chase Bank, N.A. is typically rated more highly than JPMorgan Chase & Co. but there is no assurance that this will always be the case and investors should check the relevant rating at the time of considering any investment in Securities.

The creditworthiness of JPMorgan Chase Bank, N.A. is more likely to affect the trading value of Securities issued by JPMSP, which are guaranteed by JPMorgan Chase Bank, N.A.

- (iii) ***The market value of the Securities at any time is dependent on the non-occurrence of certain events with respect to the Reference Entity and may be less than the original amount invested***

The Securities will represent an investment linked to the non-occurrence of certain events in respect of the Reference Entity. The investor may lose some or all of the amount invested in the Securities. Investors should not invest in any Securities if they do not fully understand how the terms of the Securities will operate in all circumstances (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers), including the potential to lose all their investment.

Investors in Securities must be aware that the historical performance of the Reference Entity should not be taken as an indication of future performance of such Reference Entity during the term of such Security. Actual results will be different, and such differences may be material.

In contrast to a direct investment in the obligations of the Reference Entity, the Securities represent the right to receive payment of amounts which will be determined by reference to the performance of such obligations. Investors should also note that whilst the market value of Securities linked to the Reference Entity will be influenced (positively or negatively) by changes in the perceived creditworthiness of the Reference Entity, any change may not be comparable or directly proportionate to the change in value of any particular obligation of the Reference Entity. The price at which an investor will be able to sell Securities to the Issuer or its affiliates prior to the Settlement Date if at all, may be at a substantial discount from the invested amount to purchase the Securities, even in cases where the value of the obligations of the Reference Entity have appreciated since the Issue Date.

**INVESTORS MUST REVIEW THIS DOCUMENT TO ASCERTAIN HOW THE PERFORMANCE OF THE REFERENCE ENTITY WILL AFFECT THE AMOUNT PAYABLE ON THE SECURITIES.**

- (iv) ***The market value of the Securities at any time is dependent on other matters in addition to the credit risk of the Issuer and the Guarantor, and the performance of the Reference Entity***

The market value of the Securities at any time will be affected by a number of factors independent of the creditworthiness of the Issuer and the Guarantor, including:

- (a) market interest and yield rates;
- (b) the time remaining to the maturity; and
- (c) numerous other economic, political and other factors.
- (v) The market value of Securities may be highly volatile

The price, performance or investment return of the Securities may be subject to sudden, large and unpredictable changes over time and this degree of change is known as "volatility". The volatility of the Securities may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities.

- (v) ***The Securities are not fully "principal protected" and may redeem at an amount less than an investor's initial investment***

The terms of the Securities do not provide for any "principal protection". Investors in the Securities may risk losing their entire investment if an Event Determination Date occurs (see below).

### 2.3 ***An active trading market for the Securities is not likely to develop***

A secondary market for any series of Securities is unlikely to develop and, even if a secondary market does develop, it is not possible to predict the price at which Securities will trade in such secondary market. Neither the Issuer nor any J.P. Morgan affiliate is under any obligation, and none of the Issuer, Guarantor or any J.P. Morgan affiliate makes any commitment, to make a market in or to repurchase the Securities. If the Issuer, Guarantor or any J.P. Morgan affiliate does make a market for the Securities, it may cease to do so at any time without notice.

The Securities are not readily liquid instruments. J.P. Morgan may but shall have no obligation to make a secondary market for the sale and purchase of the Securities. Although the Dealer will try to provide pricing or offer unwind facilities, there may exist a time when there is a lack of liquidity or low trading volume in the market for the Securities, which could result in a decrease of the market value of the Securities. If the Securities are early redeemed prior to the Maturity Date, the holder of a Securities may suffer a higher loss or significantly smaller gain on the principal invested, and may also suffer significant unwind costs and wide bid offer spreads. The Securities should be considered a "hold until maturity" product.

### 2.4 ***There may be price discrepancies with respect to the Securities as between various dealers or other purchasers in the secondary market***

If at any time a third party dealer quotes a price to purchase Securities or otherwise values Securities, that price may be significantly different (higher or lower) from any price quoted by any J.P. Morgan affiliate. Furthermore, if any Holder sells its Securities, the Holder will likely be charged a commission for secondary market transactions, or the price may reflect a dealer discount.

### 2.5 ***The Securities may be redeemed prior to their maturity***

The Securities may be redeemed prior to their maturity for any of the following reasons:

- (i) the occurrence of certain events or other circumstances in relation to the Reference Entity (see below);

- (ii) the Issuer determines that its performance under any Security has become unlawful in whole or in part for any reason (see General Condition 16 (*Early Redemption or Termination for Illegality*));
- (iii) in certain circumstances where the Issuer determines that it will become subject to withholding tax on payments made to it as a result of Holders failing to provide information required by FATCA, there is a substantial likelihood that it will violate any requirement of, or an agreement entered into with a taxing authority with respect to, FATCA or there is a substantial likelihood that a series of Securities will be treated, for U.S. federal income tax purposes, as being in bearer form (see General Condition 18.3 (*Early Redemption or Termination for Taxation – FATCA*));
- (iv) the occurrence of certain taxation events with respect to the Securities; or
- (v) following an Event of Default (see General Condition 15 (*Events of Default*)).

On early termination due to any of the circumstances described in (ii) to (v) above, the Holder will receive (subject in the case of (v) to claims of other creditors) the "Early Payment Amount" in full and final settlement of the Securities. The "**Early Payment Amount**" is the fair market value of the Securities, determined using its internal models and methodologies and taking into account all relevant factors (but ignoring the event which resulted in such redemption), less all costs incurred by or on behalf of the Issuer in connection with such early termination, including costs of unwinding any related funding and/or hedging arrangements of the Issuer, and all other expenses, all as determined by the Calculation Agent. The Early Payment Amount may be less than the original purchase price of the Securities and could be as low as zero. See Risk Factor 1.1 (*Investors in Securities may receive back less than the original invested amount*) above.

On early termination due to events or circumstances described in (i) above, the Securities may be redeemed early at an amount equal to the Revised Redemption Amount, as further described in Risk Factor 3 (*Risk factors that are specific to credit linked Securities*), below.

Following early termination of Securities, a Holder may not be able to reinvest the proceeds at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.

2.6 ***JPMorgan Chase is subject to various potential conflicts of interest in respect of the Securities, which could have an adverse effect on the Securities***

- (i) ***JPMorgan Chase & Co. or any of its consolidated subsidiaries (each a "J.P. Morgan affiliate") may take positions in or deal with the obligations of the Reference Entity***

The Issuer, the Guarantor and/or other J.P. Morgan affiliates may:

- (a) in the ordinary course of business, effect transactions for their own account or for the account of their customers and hold long or short positions in obligations of the Reference Entity or related derivatives;
- (b) in connection with an offering of Securities, enter into one or more hedging transactions with respect to obligations of the Reference Entity or related derivatives; and/or
- (c) in connection with such hedging or market-making activities or with respect to proprietary or other trading activities, enter into transactions in obligations of the Reference Entity or related derivatives which may adversely (or positively) affect the price, liquidity or value of the Securities and which could therefore be adverse to the interests of the Holders.

- (ii) ***The Calculation Agent of the Securities, which is a JPMorgan Chase affiliate, has broad discretionary powers which may not take into account the interests of the Holders***

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

- (iii) ***JPMorgan Chase and its affiliates may have confidential information relating to the Reference Entity or its obligations***

Certain JPMorgan Chase affiliates may from time to time, by virtue of their status as underwriter, advisor or otherwise, possess or have access to information relating to the Securities, the Reference Entity, the obligations of the Reference Entity and any derivative securities referencing them. Such JPMorgan Chase affiliates will not be obliged to disclose any such information to a purchaser of the Securities.

- (iv) ***A JPMorgan Chase affiliate may act as a hedge counterparty to the Issuer's obligations under the Securities***

Certain JPMorgan Chase affiliates may be the counterparty to the hedge of the Issuer's obligations under an issue of Securities. Accordingly, certain conflicts of interest may arise both among such affiliates and between the interests of such affiliates and the interests of purchasers of Securities.

**2.7 *There may be regulatory consequences to the Holder of holding Securities***

There may be regulatory and other consequences associated with the ownership by certain investors in certain Securities. Each investor in such Securities must conduct its own investigation into its regulatory position with respect to the potential investment in Securities, and none of the Issuer, the Guarantor, the Dealer or the Arranger assumes any obligation or liability whatsoever to such investor in such regard.

**2.8 *Securities may be amended without the consent of the Holders or with the consent of only some of the Holders binding all of the Holders of Securities***

Subject as provided below, the terms and conditions of the Securities may be amended by the Issuer without the consent of the Holders if the amendment:

- (i) is of a formal, minor or technical nature; or
- (ii) is made to cure a manifest or proven error; or
- (iii) is made to cure any ambiguity or is made to correct or supplement any defective provisions of the Securities or the Agency Agreement (as applicable); or
- (iv) is made to correct an error or omission such that, in the absence of such correction, the terms of the Securities would not otherwise represent the intended terms of the Securities on which the Securities were sold and have since traded; or
- (v) will not materially and adversely affect the interests of the Holders of the Securities.

In addition, other changes may be made to the terms and conditions with the consent of the Holders. In order to make such changes, the Issuer requires the consent of at least 50 per cent. of the Holders (in the case of minor amendments) or at least 75 per cent. of the Holders (in the case of more

fundamental amendments). If the amendment is approved, any dissenting Holders will be bound by such changes.

2.9 ***The Issuer or the Guarantor of Securities may be substituted without the consent of the Holders***

The Issuer of Securities may be substituted as the Issuer of Securities in favour of JPMorgan Chase & Co. or any of its subsidiaries, without the consent of the Holders or any right of the Holders to object to such substitution. In the case of Securities issued by JPMSP, the right of substitution is subject to: (i) the Issuer or the Guarantor having become obliged (due to a change in law) to pay Additional Amounts in accordance with General Condition 18.1 (*Obligation to Pay Additional Amounts*) or (ii) the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer incurring a materially increased tax cost in performing its obligations in relation to underlying hedging transactions (due to a change in law)). The right of substitution is conditional on certain terms, including that (a) the new issuer provide an indemnity in favour of the Holders of such Securities in relation to any additional tax or duties that become payable solely as a result of such substitution and (b) where the original issuer is JPMSP, the Securities will remain guaranteed by the relevant Guarantor. See General Condition 28 (*Substitution*).

2.10 ***Payments to Holders in respect of the Securities and payments received by the Issuer may be subject to withholding taxes, which may give rise to a right for the Issuer to terminate the Securities early***

Under any of (a) U.S. tax legislation commonly known as the Foreign Account Tax Compliance Act, (b) analogous provisions of non-U.S. laws, (c) an intergovernmental agreement in furtherance of such legislation or laws, or (d) an individual agreement entered into with a taxing authority pursuant to such legislation or laws (collectively, "**FATCA**"), the Issuer or an intermediary may be required to withhold a U.S. withholding tax of 30 per cent. on payments, including principal and gross proceeds, made to certain Holders in respect of the relevant Securities. In particular, the withholding tax may apply to payments in respect of Securities made to (i) (unless exempt or otherwise deemed to be compliant) a non-U.S. Holder or beneficial owner that is a foreign financial institution (an "**FFI**") that does not have in place an effective reporting and withholding agreement with the U.S. Internal Revenue Service (the "**IRS**") (such an FFI, a "**non-compliant FFI**") and (ii) other Holders or beneficial owners that do not comply with the Issuer's or any intermediary's requests for ownership certifications and identifying information or, if applicable, for waivers of any law prohibiting the disclosure of such information to a taxing authority (such Holders and beneficial owners, "**Recalcitrant Holders**"). In the event that the Issuer or an intermediary is required to deduct a withholding tax under FATCA, no additional amounts will be paid to the Holder or beneficial owner of the Security.

Under FATCA, JPMSP may also be subject to a withholding tax of 30 per cent. on certain payments made to it if it does not comply with the relevant requirements under FATCA. In the event JPMSP determines that there is a substantial likelihood that payments made to it would be subject to withholding tax under FATCA or if JPMSP otherwise determines in good faith that there is a substantial likelihood that it will violate any requirement of, or an agreement entered into with a taxing authority with respect to, FATCA, **it is possible that a portion or all Securities of a series issued by JPMSP will be redeemed or terminated at the Early Payment Amount (which amount may be less than the purchase price paid by the Holder, depending on the fair market value of the Securities at the relevant time and associated costs of the Issuer to be deducted).**

It is anticipated that the Issuer will comply with any due diligence, reporting and withholding requirements under FATCA. Accordingly, the Issuer may be required, among other things, to withhold 30 per cent. on payments made to Holders that are non-compliant FFIs or to Recalcitrant Holders. Should the Issuer or intermediary withhold on payments pursuant to FATCA, there will be no "gross up" (or any other additional amount) payable by way of compensation to such Holders or beneficial owners for the amounts deducted.

2.11 ***Representation***

No person has been authorised to give any information or make any representation not contained in or not consistent with this document, or any other information supplied in connection with the Securities and, if given or made, such information or representation must not be relied upon as

having been authorised by the Issuer, J.P. Morgan, the Calculation Agent or any of their affiliates. The Issuer, the Dealer and their affiliates will not provide any information and make no representation regarding the Reference Entity. Each investor must make an independent investigation of the Reference Entity and shall not rely on J.P. Morgan or its affiliates when making an investment decision.

3. **Risk factors that are specific to credit linked Securities**

3.1 ***Credit risk of the Reference Entity***

The Securities explicitly bear the credit risk of the Reference Entity and any Successor(s) thereto identified by the Calculation Agent or the Credit Derivatives Determinations Committee, in accordance with "Provisions for determining a Successor" in the Credit Annex. If an Event Determination Date occurs, the Securities will be subject to redemption at the Revised Redemption Amount which may be significantly less than the outstanding Aggregate Nominal Amount and may be as low as zero (less the related amounts payable in connection with an Underlying Hedge Transaction, breakage costs and any costs of terminating or re-establishing any related funding arrangements), and interest on the Securities will stop accruing on the Interest Payment Date immediately preceding the Event Determination Date. If a Potential Failure to Pay or Potential Repudiation/Moratorium occurs, interest will be suspended and if an Event Determination Date subsequently occurs, no interest will be payable following the Interest Payment Date immediately preceding the date on which such Potential Failure to Pay or Potential Repudiation/Moratorium occurs.

Holders should review which Credit Events apply to the Reference Entity and the circumstances in which such Credit Events may apply and the category and characteristics of the Obligations and/or Deliverable Obligations and/or Valuation Obligations which may affect the value of the Final Price and/or the Revised Redemption Amount and/or the Securities. The Issuer, the Dealer and their affiliates will not provide any information and make no representation regarding the Reference Entity. Each investor must make an independent investigation of the Reference Entity and shall not rely on J.P. Morgan or its affiliates when making an investment decision.

3.2 ***Successors with respect to the Reference Entity***

The determination of a Successor Reference Entity or Entities may expose you to new credit risks. The Calculation Agent may rely on any determinations of any Credit Derivatives Determinations Committee in determining any Successors.

Changes in the Reference Entity may change the probability of a Credit Event occurring and consequently may adversely affect the Securities. You should read the section called "*Provisions for Determining a Successor*" in the Credit Annex for more information on the effect of the determination of a Successor on the Securities.

3.3 ***Holders (in their capacity as holders of the Securities) will not be able to refer questions to the Credit Derivatives Determinations Committees***

The Holders, in their capacity as holders of the Securities, will not have the ability to refer questions to a Credit Derivatives Determinations Committee since the Securities are not a credit default swap transaction. As a result, Holders will be dependent on other market participants to refer specific questions to the Credit Derivatives Determinations Committees that may be relevant to the Holders. The Calculation Agent has no duty to the Holders to refer specific questions to the Credit Derivatives Determinations Committees.

3.4 ***Holders will have no role in the composition of the Credit Derivatives Determinations Committees***

Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committees and the Holders will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committees will change from time to time in accordance with the Credit Derivatives Determinations Committees Rules, as published by the DC Secretary on behalf of ISDA on the website of the Credit Derivatives Determinations Committees

(<https://www.cdsdeterminationscommittees.org> (or any successor website thereto)) from time to time and as amended from time to time in accordance with the terms thereof (the "**Rules**"), as the term of a member institution may expire or a member institution may be required to be replaced. The Holders will have no control over the process for selecting institutions to participate on the Credit Derivatives Determinations Committees and, to the extent provided for in the Securities, will be subject to the determinations made by such selected institutions in accordance with the Rules.

3.5 ***Potential conflicts of interest due to the involvement of the Calculation Agent with the Credit Derivatives Determinations Committees***

Since, as of the Issue Date, the Calculation Agent (or one of its affiliates) is a voting member on each of the Credit Derivatives Determinations Committees and is a party to transactions which incorporate, or are deemed to incorporate, the 2014 ISDA Credit Derivatives Definitions, it may take certain actions which may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees. See "*Ability of the Calculation Agent or its Affiliates to influence the Credit Derivatives Determinations Committees*" in Annex B. Such action may be adverse to the interests of the Holders and may result in an economic benefit accruing to the Calculation Agent. In taking any action relating to the Credit Derivatives Determinations Committees or performing any duty under the Rules, the Calculation Agent shall have no obligation to consider the interests of the Holders and may ignore any conflict of interest arising due to its responsibilities under the Securities.

3.6 ***Holders will have no recourse against either the institutions serving on the Credit Derivatives Determinations Committees or the external reviewers***

Institutions serving on the Credit Derivatives Determinations Committees and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the member institutions of the Credit Derivatives Determinations Committees from time to time will not owe any duty to the Holders and the Holders will be prevented from pursuing legal claims with respect to actions taken by such member institutions under the Rules.

Holders should also be aware that member institutions of the Credit Derivatives Determinations Committees have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committees are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts.

3.7 ***Holders shall be responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committees***

Notices of questions referred to the Credit Derivatives Determinations Committees, meetings convened to deliberate such questions and the results of binding votes of the Credit Derivatives Determinations Committees will be published on the website of the Credit Derivatives Determinations Committees (<https://www.cdsdeterminationscommittees.org> (or any successor website thereto)) and neither the Issuer, the Calculation Agent nor any of their respective affiliates shall be obliged to inform the Holders of such information (other than as expressly provided in the terms of the Securities). Failure by the Holders to be aware of information relating to determinations of a Credit Derivatives Determinations Committee will have no effect under the Securities and Holders are solely responsible for obtaining any such information.

3.8 ***No rights of ownership in any Reference Obligation***

Investors in Securities should be aware that no Reference Obligation will be held by the Issuer for the benefit of the investors in such Securities, and as such, investors will not obtain any rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to a Reference Obligation referenced by such Securities. No J.P. Morgan affiliate is under any obligation whatsoever to acquire and hold any Reference Obligation.

3.9 ***The past performance of the Reference Entity is not indicative of future performance***

Any information about the past performance of the Reference Entity at the time of the issuance of the Security should not be regarded as indicative of the range of, or trends in, fluctuations in the Reference Obligation that may occur in the future. Actual results will be different, and such differences may be material.

3.10 ***The Calculation Agent has broad discretion to make certain determinations and adjustments, and/or to cause early termination of the Securities, any of which may be adverse to Holders***

The Calculation Agent may in certain circumstances adjust the terms and conditions of the Securities (without the consent of the Holders) or may procure the early termination of such Securities prior to their scheduled settlement date where particular adjustment events specified to be applicable to such Securities occur, in each case, in accordance with such terms and conditions. In the event of such early termination the Issuer will repay such Securities at the Early Payment Amount, which will be determined on the basis of an amount determined by the Calculation Agent as representing the fair market value of such Securities immediately prior to such early termination, less any cost to the Issuer, or any affiliate of the Issuer which is hedging the Securities on the Issuer's behalf, of unwinding such hedging transactions. Investors in the Securities should be aware that it is likely that such Early Payment Amount will be less than the investor's initial investment. See risk factor 1.1 (*Investors in Securities may receive back less than the original invested amount*) above. Following any such early termination of the Securities, the investors in such Securities may not be able to reinvest the termination proceeds at an effective interest rate as high as the yield on the Securities being terminated and may only be able to do so at a significantly lower rate. Investors in the Securities should consider such reinvestment risk in light of other investments available at that time.

3.11 ***No Holder Rights with respect to the Reference Entity***

Neither the Issuer nor the Guarantor has any ability to control or predict the actions of the Reference Entity, including actions that could affect the value of the Securities. None of the proceeds of issue of the Securities will go to the Reference Entity, the Reference Entity will not be involved in the offering of the Securities in any way, and the Reference Entity will have no obligation to consider the interests of Holders in taking any actions that might affect the value of the Securities. Holders will not have any voting rights, rights to receive distributions or any other rights with respect to the obligations of the Reference Entity.

3.12 ***No Replacement of the Reference Entity***

Following the Trade Date, neither the Issuer nor the Guarantor will be able to replace the Reference Entity to avoid Credit Events or the determination of a Successor. Consequently, the occurrence of an Event Determination Date will result in a reduction in the value of the Securities and a reduction, potentially to zero in the outstanding principal amount of the Securities and an early redemption of the Securities. Similarly, any determination of a Successor with respect to the Reference Entity or its Successor on or after the Successor Backstop Date (which may be prior to the Trade Date) may change the probability of the occurrence of a Credit Event and the risk associated with an investment in the Securities. Therefore, investors should not invest in the Securities unless they are comfortable with the creditworthiness of the Reference Entity and the likelihood of the occurrence of a Credit Event and/or the determination of a Successor.

3.13 ***Limited Provision of Information about the Reference Entity***

As the occurrence of an Event Determination Date will result in the redemption of the Securities at a Revised Redemption Amount which may be significantly less than the principal amount outstanding and may be as low as zero (less the related amounts payable in connection with an Underlying Hedge Transaction, breakage costs and any costs of terminating or re-establishing any related funding arrangements) and a cessation of the accrual of Interest on the Interest Payment Date immediately preceding the Event Determination Date or, if a Potential Failure to Pay or Potential Repudiation/Moratorium results in an Event Determination Date, cessation of the accrual of Interest on the Interest Payment Date immediately preceding the date on which the Potential Failure to Pay or Potential Repudiation/Moratorium occurs, investors should conduct their own

investigation and analysis with respect to the creditworthiness of the Reference Entity and the likelihood of the determination of a Successor or the occurrence of a Credit Event.

An Event Determination Date may result from a Credit Event occurring at any time from and including the Credit Event Backstop Date to and including the Credit Observation End Date (or the Extension Date, if a Potential Failure to Pay or Potential Repudiation/Moratorium occurs). Any Credit Event Notice will be delivered from the Calculation Agent to the Issuer but not the Holders. The Issuer and its affiliates will have no obligation to keep Holders informed as to any matters with respect to the Reference Entity or any of its obligations, including the occurrence of a Credit Event or Event Determination Date and whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event or the determination of a Successor with respect to the Reference Entity.

3.14 ***No right to inspect the records of the Issuer***

Holders will not have the right to inspect any of the Issuer's or the Guarantor's records or any records of their respective affiliates. Except for the information contained herein, neither the Issuer nor the Guarantor nor any of their respective affiliates will have any obligation to disclose any information or evidence regarding the existence or terms of any obligation of the Reference Entity or otherwise regarding the Reference Entity or any other person.

4. **Limitations of the JPMorgan Chase Bank, N.A. Guarantee**

The guarantee of JPMorgan Chase Bank, N.A. under the JPMorgan Chase Bank, N.A. Guarantee is limited in scope to the payment and delivery and other obligations of the Issuer in respect of the relevant Securities, and allow the Guarantor to avail itself of all exclusions, exceptions and defences available to the Issuer under the terms and conditions of the Securities and at law. Further, in certain circumstances, the Guarantor will not be obliged under the terms of its Guarantee to satisfy the payment or delivery or other obligations of the Issuer, even where such Issuer has failed to perform such obligations. For example, if the Issuer is prohibited, unable, or otherwise fails to make any payment, or any portion thereof or to perform any other obligation, because or arising out of an act of war, insurrection or civil strife; an action by the government or any governmental authority or instrumentality thereof (whether de jure or de facto); legal constraint; terrorism; riots; or catastrophe, and the Issuer is thereby in default of its payment or delivery or other obligations in respect of a Series of Securities, the Guarantor will be under no obligation under the terms of its Guarantee to satisfy the Issuer's defaulted obligations.

5. **Repurchase by Dealer and Sale of Securities Prior to the Maturity Date and liquidity risk**

The Securities are not liquid instruments. J.P. Morgan may but shall have no obligation to make a secondary market for the sale and purchase of the Securities. Although the Dealer will try to provide pricing or offer unwind facilities, there may exist a time when there is a lack of liquidity or low trading volume in the market for the Securities, which could result in a decrease of the market value of the Securities. If the Securities are early redeemed prior to the Maturity Date or Early Redemption Date (if applicable), the holder of a Securities may suffer a higher loss or significantly smaller gain on the principal invested, and may also suffer significant unwind costs and wide bid offer spreads. The Securities should be considered a "hold until maturity" product.

## PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions and the Specific Product Provisions (as may be amended and/or supplemented up to, and including, the Issue Date) set forth in the Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Circular (including all documents incorporated by reference). The Offering Circular (including all documents incorporated by reference) is available from The Bank of New York Mellon S.A./N.V., Luxembourg Branch, at Vertigo Building, Polaris, 2-4 rue Eugène Ruppert, L-2453, Luxembourg and The Bank of New York Mellon S.A./N.V., Dublin Branch, at Riverside 2, Sir John Rogerson's Quay, Grand Canal Dock, Dublin 2, Ireland.

The terms and conditions of the Securities are comprised of (i) the General Conditions and (ii) the credit-linked provisions set out in Annex A (the "**Credit Annex**") hereto, each as completed and/or modified by the Additional Conditions set out below (the "**Additional Conditions**"). In the event of any conflict between the General Conditions, the Credit Annex, the Standard and the Additional Conditions, the last referenced shall prevail.

### ADDITIONAL CONDITIONS

Terms used in these Additional Conditions shall be deemed to be defined for the purposes of the General Conditions, the Credit Annex and the Standard.

1. (i) Issuer: J.P. Morgan Structured Products B.V.  
(ii) Guarantor: JPMorgan Chase Bank, N.A.
2. (i) Series Number: 2018-37224  
(ii) Tranche Number: One
3. **Specified Currency or Currencies:** U.S. Dollars ("**USD**")
4. **Notes, Warrants or Certificates:** Notes
5. **Aggregate Nominal Amount:**
  - (i) Series: USD 5,000,000
  - (ii) Tranche: USD 5,000,000
6. **Issue Price:** 100 per cent. of the Aggregate Nominal Amount

The Issue Price specified above may be more than the market value of the Securities as at the Issue Date, and the price, if any, at which the Dealer or any other person is willing to purchase the Securities in secondary market transactions is likely to be lower than the Issue Price. In particular, where permitted by applicable law and subject to any additional ex ante cost disclosure required by such, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Securities as well as amounts relating to the hedging of the Issuer's obligations under the Securities and secondary market prices may exclude such amounts. In addition, whilst the proprietary pricing models of the Dealer are based on well-recognised financial principles, other market participants' pricing models may differ or produce a different result.

If any commissions or fees relating to the issue and sale of the Securities have been paid or are payable by the Dealer to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (Directive 2014/65/EU, as may be amended or replaced from time to time), or as otherwise may apply in any non-EEA jurisdictions

Investors in the Securities intending to invest in Securities through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof

- (i) Specified Denomination: USD 1,000,000
  - (ii) Trading in Units (Notes): Not Applicable
  - (iii) Minimum trading size: The Securities may only be traded in a minimum initial amount of 1 Security (corresponding to a nominal amount of USD 1,000,000) and, thereafter, in integral multiples of 1 Security (corresponding to a nominal amount of USD 1,000,000).
7. **Issue Date:** 17 January 2019
8. **Maturity Date:** "Maturity Date" means:
- (i) subject to paragraph (ii) below, if the Reference Entity is not an Affected Reference Entity with respect to 4 January 2021 (the "**Scheduled Maturity Date**"), the Scheduled Maturity Date;
  - (ii) if:
    - (a) an Event Determination Date occurs in respect of the Reference Entity; or
    - (b) the Reference Entity is an Affected Reference Entity with respect to the Scheduled Maturity Date and a Determination Date has been determined under paragraph (ii)(a) of the definition of Determination Date,

the day (the "**RMD**") falling five Business Days following the Final Valuation Date in respect of such Reference Entity or, as the case may be, Affected Reference Entity. For the avoidance of doubt, such day may occur prior to or after the Scheduled Maturity Date; or

- (iii) if the Reference Entity is an Affected Reference Entity with respect to the Scheduled Maturity Date and a Determination Date has been determined in respect of the Affected Reference Entity under paragraphs (i) or (ii)(b) of the definition of Determination Date, the day falling five Business Days following the Determination Date in respect of the Affected Reference Entity.

If the Maturity Date falls after the Scheduled Maturity Date as a result of the application of paragraphs (ii) or (iii) above, no additional amount shall be payable in respect of interest for the period from (and including) the Scheduled Maturity Date to (but excluding) the Maturity Date as a result thereof.

**PROVISIONS APPLICABLE TO NOTES**

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

- 9. **Interest Date:** **Commencement** Issue Date
- 10. **Fixed Rate Note Provisions:** Not Applicable
- 11. **Floating Rate Note Provisions:** Applicable, subject to the Credit Annex and the provisions below.
  - (i) **Interest Period(s):** As defined in the General Conditions
  - (ii) **Interest Dates:** **Payment** Subject to the Credit Annex, 4 January, 4 April, 4 July and 4 October in each year from and including 4 April 2019, to and including the Scheduled Maturity Date, in each case subject to adjustment in accordance with the Business Day Convention, **provided that** if, in respect of any Interest Payment Date:
    - (i) an Event Determination Date has occurred in respect of the Reference Entity; or
    - (ii) the Reference Entity is an Affected Reference Entity,
 then no amount of interest otherwise payable on such Interest Payment Date in the absence of the occurrence of any such Event Determination Date or the Reference Entity being an Affected Reference Entity shall be due. Where the Reference Entity is an Affected Reference Entity in respect of an Interest Payment Date, in the event that a Determination Date occurs in respect of the Affected Reference Entity pursuant to either paragraph (i) or paragraph (ii)(b) of the definition of Determination Date, the amount of interest that would have been payable on the Interest Payment Date in the absence of the Reference Entity being an Affected Reference Entity shall be payable on the Deferred Interest Payment Date and no additional amount shall be due in respect of any such postponement. No interest shall be payable if an Applicable Event Determination Date occurs in respect of the Affected Reference Entity (unless the Determination Date in respect of such Affected Reference Entity occurs pursuant to paragraph (ii)(b) of the definition of Determination Date).

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| (iii)  | Business Day Convention:   | Modified Following Business Day Convention   |
| (iv)   | Day Count Fraction:  | Actual/360   |
| (v)    | Manner in which the Rate(s) of Interest is/are to be determined:   | ISDA Determination   |
| (vi)   | Screen Rate Determination (General Condition 4.2(b)(ii)):  | Not Applicable   |
| (vii)  | ISDA Determination (General Condition 4.2(b)(i)):  | Applicable   |
|        | • Floating Rate Option:  | USD-LIBOR-BBA  |
|        | • Designated Maturity:   | 3 months, except in the case of the first Interest Period which shall be subject to straight-line interpolation between the rate for a Designated Maturity of 2 months and the rate for a Designated Maturity of 3 months. |
|        | • Reset Date:  | The first day of each Interest Period  |
| (viii) | Margin(s):   | Plus 1.50 per cent. per annum  |
| (ix)   | Minimum Rate of Interest:  | Zero per cent. per annum   |
| (x)    | Maximum Rate of Interest:  | Not Applicable   |
| (xi)   | Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the General Conditions: | Interest Amount shall be rounded to the nearest whole cent (with half a cent being rounded up).  |
| 12.    | <b>Zero Coupon Note Provisions:</b>  | Not Applicable   |
| 13.    | <b>Variable Linked Interest Provisions:</b>  | Not Applicable   |
| 14.    | <b>Dual Currency Note Provisions:</b>  | Not Applicable   |

**PROVISIONS RELATING TO REDEMPTION OF NOTES**

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|-----|---------------------|----------------|
| 15. | <b>Call Option:</b> | Not Applicable |
| 16. | <b>Put Option:</b>  | Not Applicable |

17. **Final Redemption Amount:** The Final Redemption Amount in respect of the Securities will be determined by the Calculation Agent in accordance with the following terms:
- (i) if the Maturity Date has been determined pursuant to paragraphs (i) or (iii) of the definition of Maturity Date, the Final Redemption Amount in respect of each Security of the Specified Denomination shall be 100 per cent. of such Specified Denomination; and
  - (ii) if the Maturity Date has been determined pursuant to paragraph (ii) of the definition of Maturity Date, the Final Redemption Amount in respect of each Security of the Specified Denomination shall be an amount in the Specified Currency equal to the Revised Redemption Amount.
18. **Early Payment Amount:** Early Payment Amount 2 is applicable, **provided that** no amount shall be payable on account of accrued interest if the Notes are redeemed prior to any Interest Payment Date.
19. **Credit Linked Note Provisions:** Applicable
- (i) Reference Entity (or Entities): Republic of Italy (and any Successors).  
For the avoidance of doubt, the Calculation Agent may rely on any Credit Derivatives Determinations Committee in determining any Successors.
  - (ii) Credit Event(s): See the Standard
  - (iii) Calculation Agent responsible for determining the occurrence of a Credit Event(s) and amount payable/deliverable in the event of redemption resulting from such Credit Event(s): J.P. Morgan Securities plc
  - (iv) Relevant provisions on the occurrence of a Credit Event(s): See paragraphs 11, 17 and 63 and Annex A (Credit Annex) and the Standard
  - (v) Other terms or special conditions: Applicable Transaction Type: Standard Western European Sovereign
20. **Details relating to Instalment Notes:** Not Applicable

21. **Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:** Not Applicable

#### **PROVISIONS APPLICABLE TO WARRANTS**

*Paragraphs 22-34 are intentionally deleted*

#### **PROVISIONS APPLICABLE TO CERTIFICATES**

*Paragraphs 35-42 are intentionally deleted*

#### **SPECIFIC PRODUCT PROVISIONS APPLICABLE TO THE SECURITIES**

##### **SHARE LINKED PROVISIONS**

43. **Share Linked Provisions:** Not Applicable

##### **INDEX LINKED PROVISIONS**

44. **Index Linked Provisions:** Not Applicable

##### **COMMODITY LINKED PROVISIONS**

45. **Commodity Linked Provisions:** Not Applicable

##### **FX LINKED PROVISIONS**

46. **FX Linked Provisions:** Not Applicable

##### **FUND LINKED PROVISIONS**

47. **Fund Linked Provisions:** Not Applicable

##### **MARKET ACCESS PARTICIPATION PROVISIONS**

48. **Market Access Participation Provisions:** Not Applicable

##### **LOW EXERCISE PRICE WARRANT PROVISIONS**

49. **Low Exercise Price Warrant Provisions:** Not Applicable

##### **GENERAL PROVISIONS APPLICABLE TO THE SECURITIES**

50. **New Safekeeping Structure (in respect of Registered Notes) or New Global Note (in respect of Bearer Notes):** Not Applicable

51.	<b>Form of Securities:</b>	Registered Securities
	(i) Temporary or Permanent Bearer Global Security / Registered Global Security:	Temporary Registered Global Security which is exchangeable for a Permanent Registered Global Security, each of which is exchangeable for Registered Definitive Securities (i) automatically in the limited circumstances specified in the relevant Registered Global Security or (ii) in the case of a Permanent Registered Global Security only, at any time at the option of the Issuer by giving notice to the Holders and the Registrar of its intention to effect such exchange on the terms as set forth in the relevant Permanent Registered Global Security
	(ii) Are the Notes to be issued in the form of obligations under French law?	No
	(iii) Name of French Registration Agent:	Not Applicable
	(iv) Representation of Holders of Notes / Masse:	Not Applicable
	(v) Regulation S/Rule 144A Securities:	Not Applicable
52.	<b>Record Date:</b>	As set out in the General Conditions
53.	<b>Additional Financial Centre(s) (General Condition 12.2) or other special provisions relating to payment dates:</b>	London, New York and for the avoidance of doubt, Tokyo Business Day Convention: Modified Following Business Day Convention  General Condition 12.2 shall be amended by inserting the following immediately after the words "next following Payment Day":  "(unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding day that is a Payment Day)".
54.	<b>Payment Disruption Event (General Condition 13):</b>	Not Applicable
55.	<b>Extraordinary Hedge Disruption Event (General Condition 17):</b>	Applicable
	(i) Extraordinary Hedge Sanctions Event:	Applicable
	(ii) Extraordinary Hedge Bail-in Event:	Applicable
	(iii) Extraordinary Hedge Currency Disruption Event:	Applicable

56.	<b>Early Redemption for Tax on Underlying Hedge Transactions (General Condition 18.4(b)):</b>	Applicable
57.	<b>Disruption Event (General Condition 19):</b>	Applicable
	(i) Change in Law (Hedge):	Applicable
	(ii) Hedging Disruption:	Applicable
58.	<b>Physical Settlement:</b>	Not Applicable
59.	<b>Calculation Agent:</b>	J.P. Morgan Securities plc
60.	<b>Redenomination, renominatisation and reconventioning provisions:</b>	Not Applicable
61.	<b>Gross Up (General Condition 18):</b>	Not Applicable
		For the avoidance of any doubt, payments of principal, interest and other amounts in respect of the Notes will be made after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge of whatever nature, imposed or levied on such payment by or within a Relevant Jurisdiction and/or the United Kingdom, and the Issuer shall not be required to make any payment of Additional Amounts for or on account of any such tax, assessment or governmental charge.
	(i) 871(m) Securities:	Section 871(m) and the regulations promulgated thereunder will not apply to the Securities
62.	<b>Rounding:</b>	General Condition 23 applies
63.	<b>Other terms or special conditions:</b>	Applicable – see Annex A (Credit Annex) and the Standard.
		Trade Date: 20 December 2018
		Standard Reference Obligation: Applicable
		Specified Currency (for the purposes of the Credit Annex): Standard Specified Currencies
		Reference Obligation
	Primary Obligor:	Republic of Italy
	Maturity:	27 September 2023
	Coupon:	6.875 per cent.
	ISIN:	US465410AH18

For the purposes of the Securities:

**"Affected Reference Entity"** means, in respect of a Specified Payment Date, that the Reference Entity was a Non-Determined Reference Entity as of the Cut-off Date relating to that Specified Payment Date (determined by reference to Greenwich Mean Time or, if applicable according to the relevant Transaction Type, Tokyo time) or that a Deferral Notice has been given to the Issuer after the Cut-off Date relating to that Specified Payment Date but on or prior to that Specified Payment Date.

**"Applicable Event Determination Date"** means, in respect of a Specified Payment Date, an Event Determination Date occurs with respect to the Reference Entity for which the related Credit Event occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time or, if applicable according to the relevant Transaction Type, Tokyo time) and on or prior to the Specified Payment Extension Date relating to that Specified Payment Date (determined by reference to Greenwich Mean Time or, if applicable according to the relevant Transaction Type, Tokyo time).

**"Deferred Interest Payment Date"** means the day falling five Business Days following the Determination Date determined pursuant to paragraphs (i) or (ii)(b) of the definition of Determination Date.

**"Determination Date"** means, where the Reference Entity was an Affected Reference Entity in respect of a Specified Payment Date (the **"Relevant Specified Payment Date"**):

- (i) where no Applicable Event Determination Date has occurred with respect to the Reference Entity and the Relevant Specified Payment Date, the date (the **"Latest EDD Trigger Date"**) on which the Calculation Agent determines that no Event Determination Date could subsequently occur, **provided that** at any time prior to the occurrence of an Applicable Event Determination Date the Calculation Agent may designate a day falling prior to the Latest EDD Trigger Date as the Determination Date for purposes of this paragraph (i); and
- (ii) where an Applicable Event Determination Date has occurred with respect to the Reference Entity and the Relevant Specified Payment Date, the earliest of:
  - (a) the Final Valuation Date, **provided that** such date is not also a date on which the DC Secretary makes a public announcement as described in paragraph (b) below; and
  - (b) the date (if any) on which the DC Secretary following the relevant Cut-off Date makes a public announcement that either (X) a DC Resolution has resolved that the Credit Event to which such Event Determination Date relates has not occurred with respect to the Reference Entity or (Y) a DC Resolution has

resolved that a Credit Event has occurred with respect to the Reference Entity but that the date of occurrence of such event was after the Specified Payment Extension Date relating to the Relevant Specified Payment Date.

**"Non-Determined Reference Entity"** means, in respect of any day:

- (i) an Event Determination Date has occurred and been determined on or prior to that day (and such Event Determination Date has not, in accordance with the Credit Annex, been reversed or otherwise determined not to have occurred, on or prior to such day) and no Final Price has been determined with respect to the relevant Credit Event;
- (ii) an Uncured Default in respect of a Potential Failure to Pay or Potential Repudiation/Moratorium applicable to that Reference Entity exists on that day where such Potential Failure to Pay or Potential Repudiation/Moratorium has occurred on or before the Credit Observation End Date (determined by reference to Greenwich Mean Time or, where applicable in accordance with the relevant Transaction Type, Tokyo time); or
- (iii) there is a DC Credit Event Question for which there has not been a DC Resolution and, in each case, no Determination Date has occurred in respect thereof.

**"Revised Redemption Amount"** means, in respect of each Security of the Specified Denomination, an amount equal to the product of the Specified Denomination multiplied by the Final Price, minus such Security's *pro rata* share of any related costs, expenses or liabilities incurred by the Issuer or any relevant affiliate in liquidating, terminating or re-establishing any hedging or funding arrangements relating to the Securities, subject to a minimum of zero, breakage costs and any costs of terminating or re-establishing any related funding arrangements (but **provided that** such amount is subject to a minimum of zero), as determined by the Calculation Agent on the second Business Day immediately preceding the due date for the early redemption or settlement of the Securities or the RMD, as applicable.

For the purposes of Annex A:

**"Auction Settlement"** shall be the applicable Settlement Method.

Section 1.7 of Annex A shall be amended by replacing it with the following:

**Section 1.7. DC Rules.** "DC Rules" means the Credit Derivatives Determinations Committees Rules, as published on behalf of ISDA by the DC Secretary on its website at <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

### **Representations**

As a condition to purchasing and/or accepting a Note, each Holder shall be deemed to represent, warrant, and agree, to and with the Issuer and the Dealer that, they:

- (i) have not relied upon any representations except those expressly set forth herein;
- (ii) have consulted with their own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent they have deemed necessary, and they have made their own judgement and upon any advice from such advisors as they have deemed necessary and not upon a view expressed by the Issuer or Dealer; and
- (iii) are purchasing the Securities with a full understanding of the terms, conditions and risks thereof including the lack of liquidity of the Securities and is capable of and willing to assume those risks.

### **DISTRIBUTION**

- |     |   |  |
|-----|---|--|
| 64. | <b>If non-syndicated, name and address of Dealer:</b> | J.P. Morgan Securities plc of 25 Bank Street, Canary Wharf, London E14 5JP |
| 65. | <b>Stabilising Manager(s) (if any):</b>               | Not Applicable   |
| 66. | <b>Total commission and concession:</b>               | Not Applicable   |
| 67. | <b>U.S. selling restrictions:</b>                     | Regulation S   |

### **ERISA Restrictions for all Securities (including Rule 144A Securities and Securities subject to Regulation S)**

JPMSP Standard Restrictions apply: The Securities may not be acquired by, on behalf of, or with the assets of any plans subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, other than certain insurance company general accounts. See "*Subscription and Sale – United States*" and "*Purchaser representations and requirements and transfer restrictions – ERISA Legends and ERISA Restrictions – (b) JPMCFC/JPMSP Standard Restrictions*" in the Offering Circular.

- |     |                                 |                |
|-----|---------------------------------|----------------|
| 68. | <b>ECI Holder Restrictions:</b> | Not Applicable |
|-----|---------------------------------|----------------|

69. **Additional Selling Restrictions:** As per the Offering Circular – see section "*Subscription and Sale*" in the Offering Circular and the additional selling restrictions below.
- Notice pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) of Japan (the "**FIEA**") - transfer restriction, etc.
- No registration pursuant to Article 4, Paragraph 1 of the FIEA has been made or will be made concerning the Notes for the reason that the solicitations of an application to acquire the newly issued Notes are conducted in a manner falling under the Solicitation Only for Qualified Institutional Investors as defined in Article 23-13, Paragraph 1 of the FIEA.
- The Notes are subject to a transfer restriction which prohibits transfer of the Notes to any persons other than Qualified Institutional Investors as defined in Article 2, Paragraph 3, Item 1 of the FIEA.
- Neither the Notes nor any beneficial interest therein may be sold or transferred at any time to the Reference Entity or its Successors.
- If the Reference Entity is at any time the holder of a Note or a beneficial interest therein, such Note shall, notwithstanding any other provisions of the Conditions and regardless of the occurrence or non-occurrence of a Credit Event, have a Final Redemption Amount and a Revised Redemption Amount of zero and no interest or other instalments will be due and payable in respect of such Note and for the purposes of any Holders' meeting, such Note shall be deemed not to be outstanding.
70. **Swiss Distribution:** No
71. **Prohibition of Sales to EEA Retail Investors:** Applicable

**GENERAL**

72. The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of JPY 110 = U.S.\$ 1, producing a sum of (for Notes not denominated in U.S. dollars): Not Applicable

## **PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the pricing supplement required for the issue of the Securities described herein pursuant to the Structured Products Programme for the issuance of Notes, Warrants and Certificates of JPMorgan Chase Financial Company LLC, J.P. Morgan Structured Products B.V., JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co.

## **GOVERNING LAW AND JURISDICTION**

**Securities:** English Law / Courts of England

**Guarantee:** English Law / Courts of England

## **RESPONSIBILITY**

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Pricing Supplement. Information on the Reference Entity has been extracted from publicly available sources. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the relevant information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

An investor intending to acquire or acquiring any Securities from an offeror will do so, and offers and sales of the Securities to an investor by an offeror will be made, in accordance with any terms and other arrangements in place between such offeror and such investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with investors (other than the Dealer(s)), in connection with the offer or sale of the Securities and, accordingly, this Pricing Supplement will not contain such information. The investor must look to the offeror at the time of such offer for the provision of such information. The Issuer has no responsibility to an investor in respect of such information.

### **Signed on behalf of the Issuer:**

By: \_\_\_\_\_

Duly authorised

### **Signed on behalf of the Guarantor:**

By: \_\_\_\_\_

Duly authorised

## PART B - OTHER INFORMATION

### LISTING AND ADMISSION TO TRADING

Application will be made for the Securities to be admitted to the Official List of Euronext Dublin and to trading on its Global Exchange Market with effect from, at the earliest, the Issue Date. No assurances can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by the Issue Date).

The Issuer has no duty to maintain the listing and/or admission to trading (if any) of the Securities on the relevant stock exchange(s) over its entire lifetime. The Securities may be suspended from trading and/or de-listed at any time in accordance with applicable rules and regulations of the relevant stock exchange(s).

**RATINGS** Not Applicable

### INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the section of the Offering Circular entitled "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue.

### REASONS FOR THE ISSUE, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- |                                 |   |
|---------------------------------|---|
| (i) Reasons for the issue:      | Not Applicable  |
| (ii) Estimated net proceeds:    | Not Applicable  |
| (iii) Estimated total expenses: | EUR 3,040 as fees for listing and admission to trading on the Global Exchange Market of Euronext Dublin |

### POST-ISSUANCE INFORMATION

The Issuer will not provide any post-issuance information with respect to the Notes, unless required to do so by applicable law or regulation.

### OPERATIONAL INFORMATION

Intended to be held in a manner which would allow Eurosystem eligibility:	No
ISIN:	XS1905583719
Common Code:	190558371
Relevant Clearing System(s):	Euroclear/Clearstream, Luxembourg
Delivery:	Delivery against payment
The Agents appointed in respect of the Securities are:	As set out in the Agency Agreement
Registrar:	The Bank of New York Mellon S.A./N.V., Luxembourg Branch

## PART C – OTHER APPLICABLE TERMS

### ANNEX A

#### CREDIT ANNEX

*This Credit Annex is incorporated into, and forms part of, the Pricing Supplement and sets forth important provisions relating to the contingent nature of the obligation on the Issuer with respect to notes, certificates or warrants (collectively, the "Securities") to pay principal and interest on the Securities. Unless otherwise defined herein, terms used in this Credit Annex shall have the meanings ascribed to them elsewhere in the Pricing Supplement*

### ARTICLE I

#### CERTAIN GENERAL DEFINITIONS

**Section 1.1. Credit Derivative Transaction.**

N/A

**Section 1.2. Confirmation.**

N/A

**Section 1.3. Buyer.**

N/A

**Section 1.4. Seller.**

N/A

**Section 1.5. Calculation Agent.** "Calculation Agent" means the Calculation Agent specified in the Conditions unless otherwise specified in the Pricing Supplement.

**Section 1.6. Credit Derivatives Determinations Committee.** "Credit Derivatives Determinations Committee" means, with respect to a Reference Entity or an Obligation thereof, each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions referencing such Reference Entity.

**Section 1.7. DC Rules.** "DC Rules" means the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**Section 1.8. ISDA.** "ISDA" means the International Swaps and Derivatives Association, Inc.

**Section 1.9. DC Secretary.** "DC Secretary" has the meaning given to that term in the DC Rules.

**Section 1.10. DC Party.** "DC Party" as used (i) herein shall mean, and (ii) in the DC Rules shall be deemed to mean, the Issuer or any Affiliate thereof.

**Section 1.11. Resolve.** "Resolve" has the meaning given to that term in the DC Rules, and "Resolved" and "Resolves" shall be construed accordingly.

**Section 1.12. DC Resolution.** "DC Resolution" has the meaning given to that term in the DC Rules.

**Section 1.13. Trade Date.** "Trade Date" means the date specified as such in the Pricing Supplement.

**Section 1.14. Scheduled Termination Date.**

N/A

**Section 1.15. Termination Date.**

N/A

**Section 1.16. Event Determination Date.** "Event Determination Date" means, with respect to a Reference Entity and a Credit Event with respect to which:

- (a) "Auction Settlement" is the applicable Settlement Method:
  - (i) subject to Section 1.16(a)(ii), the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, **provided that** neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
  - (ii) notwithstanding Section 1.16(a)(i), the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
    - (A)
      - (I) the Credit Event is not an M(M)R Restructuring; and
      - (II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
    - (B)
      - (I) the Credit Event is an M(M)R Restructuring; and
      - (II) a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the Exercise Cut-off Date,

**provided that:**

- (x) no Maturity Date has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs;
  - (y) if any Valuation Date has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to any Credit Position (or the portion thereof) with respect to which no Valuation Date has occurred; and
  - (z) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Calculation Agent, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (bb) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the then outstanding Remaining Credit Position, or (cc) unless the Hypothetical Triggered Credit Derivative Transaction would be an Auction Covered Transaction and the Deliverable Obligations set out on the Final List would be identical to the Permissible Deliverable Obligations for such Hypothetical Triggered Credit Derivative Transaction, or
- (b) Section 1.16(a) does not apply, the Non-Standard Event Determination Date determined in accordance with Section 14.1 (*Non-Standard Event Determination Date*).

**Section 1.17. DC Announcement Coverage Cut-off Date.** "DC Announcement Coverage Cut-off Date" means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination

Date, the Auction Cancellation Date, or the date that is fourteen calendar days following the No Auction Announcement Date, if any, as applicable.

**Section 1.18. Different Event Determination Dates.**

N/A

**Section 1.19. No Event Determination Date.** Subject to Section 10.2(a)(i)(III) (*Effect of DC Resolutions*), no Event Determination Date will occur with respect to an event, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date or the Maturity Date, as applicable, a DC No Credit Event Announcement occurs with respect to such event.

**Section 1.20. Adjustment Payments.**

N/A

**Section 1.21. Notifying Party.**

N/A

**Section 1.22. Notice Delivery Date.** "Notice Delivery Date" means, with respect to a Reference Entity, the first date on which an effective Credit Event Notice has been delivered by the Calculation Agent to the Issuer.

**Section 1.23. Notice Delivery Period.** "Notice Delivery Period" means, with respect to a Reference Entity, the period from and including the Trade Date to and including the date that is fourteen calendar days after the Extension Date.

**Section 1.24. Post Dismissal Additional Period.** "Post Dismissal Additional Period" means the period from and including the date of the DC Credit Event Question Dismissal to and including the date that is fourteen calendar days thereafter (**provided that** the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**Section 1.25. DC Credit Event Meeting Announcement.** "DC Credit Event Meeting Announcement" means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

**Section 1.26. DC Credit Event Question.** "DC Credit Event Question" means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event, which would constitute a Credit Event for purposes of the Hypothetical Credit Derivative Transaction, has occurred.

**Section 1.27. DC Credit Event Question Dismissal.** "DC Credit Event Question Dismissal" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

**Section 1.28. DC Credit Event Announcement.** "DC Credit Event Announcement" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event, which would constitute a Credit Event, has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, **provided that** if the Credit Event occurred after the Credit Observation End Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

**Section 1.29. DC No Credit Event Announcement.** "DC No Credit Event Announcement" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

**Section 1.30. Credit Event Resolution Request Date.** "Credit Event Resolution Request Date" means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

**Section 1.31. M(M)R Restructuring.** "M(M)R Restructuring" means a Restructuring Credit Event in respect of which either "Mod R" or "Mod Mod R" is specified as applicable in the Standard.

**Section 1.32. Credit Event Notice.** "Credit Event Notice" means, with respect to a Reference Entity, an irrevocable notice from the Calculation Agent to the Issuer that describes a Credit Event that occurred on or after the Credit Event Backstop Date applicable to the relevant Reference Entity and on or prior to the Extension Date with respect to that Reference Entity.

Any Credit Event Notice that describes a Credit Event with respect to a Reference Entity that occurred after the Credit Observation End Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the full Credit Position.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event with respect to a Reference Entity has occurred. Other than where a DC Credit Event Announcement has been made with respect to the relevant Credit Event, the Calculation Agent shall only deliver a Credit Event Notice where it determines in its sole and absolute discretion that Publicly Available Information exists confirming the existence or occurrence of the relevant Credit Event and, in that case, such Credit Event Notice shall contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

The Calculation Agent is under no obligation to issue a Credit Event Notice and may send any Credit Event Notice at any time after the occurrence of the Credit Event. In determining whether or not to deliver a Credit Event Notice, or the timing of such delivery, the Calculation Agent is not required to take into account the interests of any person (including any Holder) but can take into account the interests of the Issuer.

**Section 1.33. Credit Event Notice after M(M)R Restructuring.** Upon the occurrence of an M(M)R Restructuring with respect to a Reference Entity (other than where, following the associated Event Determination Date, the Remaining Credit Position of such Reference Entity is greater than zero) and subject as provided in Section 4.1, no further Event Determination Date, Potential Failure to Pay or Potential Repudiation/Moratorium may occur with respect to such Reference Entity.

The following provisions shall apply to Reference Entities in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred:

The Calculation Agent may deliver multiple Credit Event Notices with respect to a Reference Entity that has been subject to an Event Determination Date relating only to an M(M)R Restructuring, each such Credit Event Notice that relates only to an M(M)R Restructuring specifying the relevant portion of the Credit Position of the Reference Entity to which such Credit Event Notice applies (the "**Exercise Amount**"). Where the Credit Event Notice does not specify an Exercise Amount, the entire Credit Position (or, as the case may be, Remaining Credit Position (as defined below)) will be deemed to have been specified as the Exercise Amount. Such Reference Entity shall be treated as a separate Defaulted Credit in respect of each relevant Exercise Amount and all provisions related to the calculation of principal and interest payable under the Securities shall be construed accordingly.

Notwithstanding the provisions of the Conditions:

- (i) where the Securities provide that following the occurrence of an Event Determination Date (and satisfaction of any conditions related thereto) the Final Redemption Amount shall become due, the Final Redemption Amount shall not become due following the occurrence of an Event Determination Date relating only to an M(M)R Restructuring except for in respect of any Exercise Amount(s) specified; and

- (ii) once a Credit Event Notice relating only to an M(M)R Restructuring has been given, any determination relating to any change or potential change in the amount(s) or timing(s) of interest and/or principal payable in respect of the Securities, in relation to any Credit Event for which any Exercise Amount has been specified, shall only be in respect of any relevant Exercise Amount(s) specified as of the relevant date of determination, and otherwise shall be in respect of the entire Remaining Credit Position. For any Defaulted Credit in respect of which an Exercise Amount was not specified as of the relevant date of determination of such Defaulted Credit, after any relevant Exercise Amount is specified, the Remaining Credit Position shall be reduced accordingly and the provisions otherwise applicable in respect of such Defaulted Credit shall continue to apply to the extent of any Remaining Credit Position following such reduction.

Save as provided above, all references in the Conditions to the "Credit Position", insofar as it relates to a Reference Entity in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, shall be deemed to be references to the Remaining Credit Position of such Reference Entity except for calculation of the Final Price attributable to the relevant Exercise Amount where references to "Credit Position" shall be to such Exercise Amount. As used herein, "**Remaining Credit Position**" means, in respect of each Reference Entity in respect of which M(M)R Restructuring is specified as being applicable, at any time, the initial Credit Position of such Reference Entity, less the aggregate of all Exercise Amounts (if any) in respect of such Reference Entity. For all the purposes hereof, insofar as the Remaining Credit Position of any Reference Entity in respect of which M(M)R Restructuring is specified as being applicable is, at any time, greater than zero, such Reference Entity shall be treated as a non-Defaulted Credit.

**Section 1.34. Notice of Publicly Available Information.**

N/A

**Section 1.35. Publicly Available Information.**

- (a) "**Publicly Available Information**" means information that in the sole and absolute discretion of the Calculation Agent reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:
  - (i) has been published in or on not less than two Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information);
  - (ii) is information received from or published by (A) the Reference Entity (or, if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign), or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
  - (iii) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

**provided that** where any information of the type described in Sections 1.35(a)(ii) or (iii) is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.
- (b) In relation to any information of the type described in Sections 1.35(a)(ii) or (iii), the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.
- (c) Without limitation, Publicly Available Information need not state (i) in relation to Section 3.28 (*Downstream Affiliate*), the percentage of Voting Shares owned by the Reference Entity and (ii)

that the relevant occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period, or (C) has met the subjective criteria specified in certain Credit Events.

- (d) In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both Sections 4.6(a)(i) and (ii) (*Repudiation/Moratorium*).

**Section 1.36. Public Source.** "Public Source" means, with respect to any Reference Entity, each Additional Public Source of source of Publicly Available Information specified as such in the Pricing Supplement and each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources.

**Section 1.37. Specified Number.**

N/A

**Section 1.38. Requirements Regarding Notices.**

- (a) Any notice or other communication given by one party to any other party must be in writing (including by facsimile or email) or by telephone, and will be subject to the requirements set forth in Section 1.38.
- (b) A notice delivered on or prior to 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such day. A notice delivered after 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered.
- (c) For purposes of Section 1.38(b), a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation of such notice will be executed and delivered confirming the substance of such notice within one Calculation Agent City Business Day of such notice. Failure to provide that written confirmation shall not affect the effectiveness of a notice given by telephone.

**Section 1.39. Credit Event Backstop Date.** "Credit Event Backstop Date" means, with respect to a Reference Entity or an Obligation thereof:

- (a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in Section 4.6(a)(ii) (*Repudiation/Moratorium*)), as determined by DC Resolution, the date that is sixty calendar days prior to the Credit Event Resolution Request Date, or
- (b) otherwise, the date that is sixty calendar days prior to the earlier of:
- (i) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period and
  - (ii) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**Section 1.40. Extension Date.** "Extension Date" means, with respect to a Reference Entity, the latest of:

- (a) the Credit Observation End Date;
- (b) the Grace Period Extension Date if:
- (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable to that Reference Entity in the Standard; and

- (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Credit Observation End Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable to that Reference Entity in the Standard.

**Section 1.41. Exercise Cut-off Date.** "Exercise Cut-off Date" means either:

- (a) with respect to an M(M)R Restructuring and a Reference Entity to which Section 1.16(a) (*Event Determination Date*) applies:
  - (i) if the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
  - (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event with respect to a Reference Entity to which Section 1.16(a) (*Event Determination Date*) does not apply, the Non-Standard Exercise Cut-off Date determined in accordance with Section 14.2 (*Non-Standard Exercise Cut-off Date*);

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

**Section 1.42. Relevant City Business Day.** "Relevant City Business Day" has the meaning given to that term in the DC Rules.

**Section 1.43. Calculation Agent City.** "Calculation Agent City" means the city specified as such in the Standard or, if a city is not so specified, the city in which the office through which the Calculation Agent is acting for purposes of the Securities is located.

**Section 1.44. Calculation Agent City Business Day.** "Calculation Agent City Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City.

**Section 1.45. Grace Period Extension Date.** "Grace Period Extension Date" means, with respect to a Reference Entity, if (a) "Grace Period Extension" is specified as applicable to that Reference Entity in the Standard and (b) a Potential Failure to Pay occurs on or prior to the Credit Observation End Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If "Grace Period Extension" is not specified as applicable to that Reference Entity in the Standard, Grace Period Extension shall not apply.

**Section 1.46. Grace Period.** "Grace Period" means:

- (a) subject to Sections 1.46(b), (c) and (d), the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if "Grace Period Extension" is specified as applicable with respect to a Reference Entity in the Standard, then with respect to such a Reference Entity in respect of which Potential Failure to Pay applies, a Potential Failure to Pay has occurred on or prior to the Credit Observation End Date and the applicable grace period cannot, by its terms, expire on or prior to the Credit Observation End Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the Standard or, if no period is specified, thirty calendar days;
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; **provided that**, unless the Reference Entity is one in respect of which "Grace Period Extension" is specified as applicable in the Standard and Potential Failure to Pay applies, such deemed Grace Period shall expire no later than the Credit Observation End Date; and

- (d) if the terms of the relevant Obligation are not publicly available such that the length of any grace period, conditions precedent to the commencement of any such grace period or whether any such conditions are satisfied cannot be established, it shall be deemed that the Grace Period is a period of thirty calendar days from the due date for payment and all conditions precedent to the commencement thereof were satisfied on such due date.

**Section 1.47. Grace Period Business Day.** "Grace Period Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is the euro, a TARGET Settlement Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**Section 1.48. Potential Failure to Pay.** "Potential Failure to Pay" means, with respect to a Reference Entity, the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**Section 1.49. Provisions Relating to Timing.** Subject to Sections 1.38 (*Requirements Regarding Notices*) and 1.50 (*Payment Timing*), in order to determine the day on which an event occurs for purposes of this Credit Annex, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

**Section 1.50. Payment Timing.** Notwithstanding Sections 1.32 (*Credit Event Notice*) and 1.49 (*Provisions Relating to Timing*), if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

**Section 1.51. Valuation Business Day.** "Valuation Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London and New York and in any additional location that is specified as being applicable in the Standard and a TARGET Settlement Day.

**Section 1.52. TARGET Settlement Day.** "TARGET Settlement Day" means any day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) (or any successor thereto) is open.

**Section 1.53. Business Day Convention.**

N/A

**Section 1.54. Final List.** "Final List" has the meaning given to that term in the DC Rules.

**Section 1.55. 2002 ISDA Master Agreement.** The term "Affiliate" shall have the meaning given to that term in the standard form 2002 ISDA Master Agreement (the "2002 ISDA Master Agreement").

## ARTICLE II

### TERMS RELATING TO THE REFERENCE ENTITY AND THE REFERENCE OBLIGATION

**Section 2.1. Reference Entity.** "Reference Entity" means each of the entities specified in or determined in accordance with the Pricing Supplement and any Successors.

#### **Section 2.2. Provisions for Determining a Successor.**

- (a) "Successor" means, subject to Section 2.2(c), the entity or entities, if any, determined as follows:
- (i) subject to Section 2.2(a)(vii), if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to seventy-five per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor;
  - (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor and the Credit Position will be divided and the terms of the Securities will be amended in accordance with Section 2.2(n);
  - (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than twenty-five per cent of the Relevant Obligations of the Reference Entity, and more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and the Credit Position will be divided and the terms of the Securities will be amended in accordance with Section 2.2(n);
  - (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity and the Credit Position will not be changed in any way as a result of such succession;
  - (vi) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (**provided that** if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor and the Credit Position will be divided and the terms of the Securities will be amended in accordance with Section 2.2(n)); and
  - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor.
- (b) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or

Successors under Section 2.2(a); **provided that** the Calculation Agent will not make such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

If the DC Secretary publicly announces, on or following the Trade Date, that the relevant Credit Derivatives Determinations Committee has Resolved that one or more Successors exist with respect to a Reference Entity, each such successor entity will be treated as a Successor for purposes of Section 2.2(n).

The Calculation Agent will make all calculations and determinations required to be made under Section 2.2 on the basis of Eligible Information.

In calculating the percentages used to determine whether an entity qualifies as a Successor under Section 2.2(a), if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

- (c) An entity may only be a Successor if:
- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
  - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
  - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.
- (d) For purposes of Section 2.2, "**succeed**" means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of Section 2.2, "**succeeded**" and "**succession**" shall be construed accordingly.
- (e) "**Sovereign Succession Event**" means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.
- (f) "**Relevant Obligations**" means the Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**" and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), **provided that**:
- (i) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
  - (ii) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under Section 2.2(a), make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**" that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
  - (iii) if "**Financial Reference Entity Terms**" is specified as applicable with respect to the relevant Reference Entity in the Standard, and the associated Credit Position is a Senior

Credit Position, then the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**"; and

- (iv) if "**Financial Reference Entity Terms**" is specified as applicable with respect to the relevant Reference Entity in the Standard, and the associated Credit Position is a Subordinated Credit Position, then the Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category "**Bond or Loan**", **provided that** if no such Relevant Obligations exist, "**Relevant Obligations**" shall have the same meaning as it would if the Credit Position were a Senior Credit Position.
- (g) In the case of an exchange offer, the determination required pursuant to Section 2.2(a) shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.
- (h) If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (i) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (ii) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.
- (i) "**Steps Plan**" means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.
- (j) "**Succession Date**" means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; **provided that** if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (i) the date on which a determination pursuant to Section 2.2(a) would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.
- (k) "**Successor Backstop Date**" means for purposes of any Successor determination determined by DC Resolution, the date that is ninety calendar days prior to the Successor Resolution Request Date otherwise, the date that is ninety calendar days prior to the earlier of (i) the date on which the Successor Notice is effective and (ii) in circumstances where (A) a Successor Resolution Request Date has occurred, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (C) the Successor Notice is delivered by the Calculation Agent to the Issuer not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.
- (l) "**Successor Resolution Request Date**" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.
- (m) "**Successor Notice**" means an irrevocable notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined.

- (n) Where, pursuant to Section 2.2(a)(iii), (iv) or (vi), more than one Successor has been identified, the following terms will apply from the Succession Date in respect of the Securities:
- (i) each Successor will be the Reference Entity for the purposes of the Conditions;
  - (ii) the Credit Position of each such Successor shall be equal to the Credit Position of the Reference Entity to which that Successor relates, divided by the number of Successors (including that Original Reference Entity if applicable) to that Reference Entity, **provided that** if any Successor was a Reference Entity immediately prior to the relevant succession, the Credit Position determined in accordance with the previous sentence shall be added to the existing Credit Position of that Reference Entity; and
  - (iii) if the Securities are linked to a single Reference Entity and there is more than one Successor to that Reference Entity:
    - (A) The Securities will not redeem in whole following the occurrence of an Event Determination Date in respect of a Successor but an Instalment Amount shall be payable following each occurrence of an Event Determination Date in respect of any such Successor which shall be calculated in the same way as the Final Redemption Amount payable following the occurrence of an Event Determination Date in respect of the Original Reference Entity except that the Credit Position shall be the Credit Position of the relevant Successor. The Instalment Date for any such Instalment Amount shall be determined in accordance with the provisions for determining the Maturity Date following an Event Determination Date. In addition, if no Event Determination Date occurs with respect to one or more Successors, unless otherwise specified in the Pricing Supplement, an Instalment Amount will be due in respect of each such Successor on the Scheduled Maturity Date or, if the Maturity Date is postponed beyond the Scheduled Maturity Date (assuming for this purpose that the provisions in the definition of "Maturity Date" referring to the Reference Entity instead refer to the Successor), the Maturity Date, equivalent to the Credit Position of the relevant Successor. More than one Instalment Amount may be payable on the same day in respect of different Successors.
    - (B) The amount of interest accruing and payable in respect of the Securities will be reduced with effect from the date on which it would have been reduced upon the occurrence of an Event Determination Date in respect of the Original Reference Entity but the balance on which interest is calculated shall only be reduced by the Credit Position of the Successor in respect of which the relevant Event Determination Date occurred.
    - (C) Subject as provided in Section 4.1, more than one Event Determination Date may occur but not more than one Event Determination Date may occur with respect to a single Successor.
  - (iv) Upon the identification of more than one Successor, the Calculation Agent may, where it determines it necessary, revise the Conditions to reflect the above provisions and preserve as far as possible the economic effects of the original Securities and the Issuer will cause such revised Conditions to be substituted for the original Conditions and such revised Conditions shall, in the absence of manifest error, be binding on the Issuer, the Holders and the Agents.
- (o) **Merger between Reference Entity and Issuer or Guarantor.** If the Calculation Agent determines that at any time during the period from (and including) the Trade Date to (but excluding) the Credit Observation End Date:
- (i) the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer or the Guarantor, as applicable; or
  - (ii) the Issuer or the Guarantor (as applicable) and the Reference Entity become affiliates,

then, in each case, the Calculation Agent may (in its sole and absolute discretion but shall not be obliged to) notify the Holders in accordance with Condition 27 that each Security (of the Specified Denomination) shall be redeemed by the Issuer at the Early Payment Amount on the third Business Day following the date of such notice.

**Section 2.3. Eligible Information.** "**Eligible Information**" means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

**Section 2.4. Sovereign.** "**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

**Section 2.5. Reference Obligation.** "**Reference Obligation**" means the Standard Reference Obligation, if any, unless:

- (a) "**Standard Reference Obligation**" is specified as not applicable in the Pricing Supplement, in respect of the relevant Reference Entity in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any; or
- (b) (i) "**Standard Reference Obligation**" is specified as applicable in the Pricing Supplement (or no election is specified), (ii) there is no Standard Reference Obligation, and (iii) a Non-Standard Reference Obligation is specified in the Pricing Supplement, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, **provided that** the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

**Section 2.6. Standard Reference Obligation.** "**Standard Reference Obligation**" means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

**Section 2.7. Non-Standard Reference Obligation.** "**Non-Standard Reference Obligation**" means the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

**Section 2.8. Original Non-Standard Reference Obligation.** "**Original Non-Standard Reference Obligation**" means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in the Pricing Supplement (if any is so specified) **provided that** if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Valuation Obligation Characteristic) unless the intention to amend or override this provision is expressed, in writing, in the relevant Pricing Supplement by referring directly to Section 2.8.

**Section 2.9. No Standard Reference Obligation.** If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the "**Not Subordinated**" Obligation Characteristic or "**Not Subordinated**" Valuation Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.

**Section 2.10. Substitute Reference Obligation.** "**Substitute Reference Obligation**" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined by the Calculation Agent as follows:

- (a) The Calculation Agent shall (in its sole and absolute discretion) identify the Substitute Reference Obligation in accordance with Sections 2.10(c), (d) and (e) to replace the Non-Standard Reference Obligation; **provided that** the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations

Committee and such obligation has not changed materially since the date of the relevant DC Resolution.

- (b) If any of the events set forth under Sections 2.11(a)(i) or (iii) (*Substitution Event*) have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Valuation Obligation Characteristic and Section 2.10(c)(ii)). If the event set forth in Section 2.11(a)(ii) (*Substitution Event*) has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under Sections 2.11(a)(i) or (a)(iii) (*Substitution Event*) occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
  - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
  - (ii) satisfies the "Not Subordinated" Valuation Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
  - (iii)
    - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
      - (I) is a Valuation Obligation (other than a Loan) determined in accordance with Section 3.2(a) (*Valuation Obligation*); or if no such obligation is available,
      - (II) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with Section 3.2(a) (*Valuation Obligation*);
    - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
      - (I) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
      - (II) is a Valuation Obligation (other than a Loan) determined in accordance with Section 3.2(a) (*Valuation Obligation*); or if no such obligation is available,
      - (III) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
      - (IV) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with Section 3.2(a) (*Valuation Obligation*); or
    - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
      - (I) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

- (II) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - (III) is a Valuation Obligation (other than a Loan) determined in accordance with Section 3.2(a) (*Valuation Obligation*); or if no such obligation is available,
  - (IV) is a Loan (other than a Private-side Loan) which constitutes a Valuation Obligation determined in accordance with Section 3.2(a) (*Valuation Obligation*).
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in Section 2.10(c), the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations under the Securities, as determined by the Calculation Agent (in its sole and absolute discretion).
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines (in its sole and absolute discretion) that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to Section 2.10(a) and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with Section 2.10(b), the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

**Section 2.11. Substitution Event.**

- (a) **"Substitution Event"** means, with respect to the Non-Standard Reference Obligation:
- (i) the Non-Standard Reference Obligation is redeemed in whole;
  - (ii) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
  - (iii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).
- (b) For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.
- (c) If an event described in Sections 2.11(a)(i) or (ii) has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to Sections 2.11(a)(i) or (ii), as the case may be, on the Trade Date.

**Section 2.12. Reference Obligation Only Trade.**

N/A

**Section 2.13. Conforming Reference Obligation.** "Conforming Reference Obligation" means a Reference Obligation which is a Valuation Obligation determined in accordance with Section 3.2(a) (*Valuation Obligation*).

**Section 2.14. Non-Conforming Reference Obligation.** "Non-Conforming Reference Obligation" means a Reference Obligation which is not a Conforming Reference Obligation.

**Section 2.15. Non-Conforming Substitute Reference Obligation.** "Non-Conforming Substitute Reference Obligation" means an obligation which would be a Valuation Obligation determined in accordance with Section 3.2(a) (*Valuation Obligation*) on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference

Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

**Section 2.16. Private-side Loan.** "Private-side Loan" means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

**Section 2.17. Seniority Level.** "Seniority Level" means, with respect to an obligation of the Reference Entity, (a) "Senior Level" or "Subordinated Level" as specified in the Pricing Supplement, or (b) if no such seniority level is specified in the Pricing Supplement, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) "Senior Level".

**Section 2.18. SRO List.** "SRO List" means the list of Standard Reference Obligations as published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

**Section 2.19. Substitution Date.** "Substitution Date" means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Issuer of the Substitute Reference Obligation that it has identified in accordance with Section 2.10 (*Substitute Reference Obligation*).

**Section 2.20. Substitution Event Date.** "Substitution Event Date" means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

**Section 2.21. Substitute Reference Obligation Resolution Request Date.** "Substitute Reference Obligation Resolution Request Date" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve a Substitute Reference Obligation to the Non-Standard Reference Obligation, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

**Section 2.22. Senior Credit Position.** "Senior Credit Position" means a Credit Position attributable to a Reference Entity in respect of which (a) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (b) there is no Reference Obligation or Prior Reference Obligation.

**Section 2.23. Senior Obligation.** "Senior Obligation" means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

**Section 2.24. Subordinated Credit Position.** "Subordinated Credit Position" means a Credit Position attributable to a Reference Entity in respect of which the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

**Section 2.25. Subordinated Obligation.** "Subordinated Obligation" means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

**Section 2.26. Further Subordinated Obligation.** "Further Subordinated Obligation" means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

## ARTICLE III

### TERMS RELATING TO OBLIGATIONS AND VALUATION OBLIGATIONS

#### Section 3.1. **Obligation.** "Obligation" means:

- (a) each obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in Section 3.13 (*Method for Determining Obligations*); and
- (b) each Reference Obligation,

in each case, unless specified in the applicable Pricing Supplement as an Excluded Obligation.

#### Section 3.2. **Valuation Obligation.** "Valuation Obligation" means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in Section 3.14 (*Method for Determining Valuation Obligations*);
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Valuation is applicable, any Sovereign Restructured Valuation Obligation; and
- (d) if Asset Package Valuation is applicable, any Prior Valuation Obligation (if "Financial Reference Entity Terms" is specified as applicable with respect to the relevant Reference Entity in the Standard) or any Package Observable Bond (if the Reference Entity is a Sovereign),

in each case, (i) unless it is an Excluded Valuation Obligation and (ii) **provided that** the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for purposes of Section 3.2(d), immediately prior to the relevant Asset Package Credit Event).

Where Auction Settlement applies for the purposes of Section 7.4, "Valuation Obligation" means any obligation that is capable of constituting a deliverable obligation in accordance with the Transaction Auction Settlement Terms or, as the case may be, the Parallel Auction Settlement Terms.

#### Section 3.3. **Prior Valuation Obligation.** "Prior Valuation Obligation" means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of Valuation Obligation set out in Section 3.2(a) or (b) (*Valuation Obligation*), in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of a Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

**Section 3.4. Package Observable Bond.** "Package Observable Bond" means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within the definition of Valuation Obligation set out in Section 3.2(a) or (b) (*Valuation Obligation*), in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**Section 3.5. Sovereign Restructured Valuation Obligation.** "Sovereign Restructured Valuation Obligation" means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the Credit Event

Notice or DC Credit Event Announcement has occurred and (b) which fell within the definition of a Valuation Obligation set out in Section 3.2(a) (*Valuation Obligation*) immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

**Section 3.6. Excluded Obligation.** "**Excluded Obligation**" means, with respect to a Reference Entity:

- (a) any obligation of the Reference Entity specified as such or of a type described in the Pricing Supplement;
- (b) if "**Financial Reference Entity Terms**" is specified as applicable with respect to the relevant Reference Entity in the Standard and the associated Credit Position is a Senior Credit Position, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if "**Financial Reference Entity Terms**" is specified as applicable with respect to the relevant Reference Entity in the Standard and the associated Credit Position is a Subordinated Credit Position, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**Section 3.7. Excluded Valuation Obligation.** "**Excluded Valuation Obligation**" means, with respect to a Reference Entity:

- (a) any obligation of the Reference Entity specified as such or of a type described in the Pricing Supplement;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Valuation is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**Section 3.8. Outstanding Principal Balance.**

- (a) The "**Outstanding Principal Balance**" of an obligation will be calculated as follows:
  - (i) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with Section 3.12 (*Accrued Interest*), the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
  - (ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (I) payment or (II) a Permitted Contingency) (the amount determined in Section 3.8(a)(i) less any amounts subtracted in accordance with Section 3.8(a)(ii), the "**Non-Contingent Amount**"); and
  - (iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance, in each case, determined:
    - (A) unless otherwise specified, in accordance with the terms of the obligation in effect on the Valuation Date; and
    - (B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

- (b) **"Quantum of the Claim"** means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, **provided that** the Quantum of the Claim cannot exceed the Non-Contingent Amount.

**Section 3.9. Due and Payable Amount.** **"Due and Payable Amount"** means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the Valuation Date.

**Section 3.10. Prohibited Action.** **"Prohibited Action"** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in Section 4.1(a) to (d) (*Credit Event*)) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

**Section 3.11. Permitted Contingency.** **"Permitted Contingency"** means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

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

**Section 3.12. Accrued Interest.** Where "Cash Settlement" is specified to be the Settlement Method (or if Cash Settlement is applicable as the Fallback Settlement Method in accordance with Section 6.1 (*Auction Settlement*)), Exclude Accrued Interest shall, unless otherwise specified in the Pricing Supplement, be applicable.

**"Exclude Accrued Interest"** means that the Outstanding Principal Balance of the Valuation Obligation shall not include accrued but unpaid interest.

**Section 3.13. Method for Determining Obligations.** For purposes of Section 3.1(a) (*Obligation*), the term **"Obligation"** may be defined as each obligation of the Reference Entity described by the Obligation Category specified as being applicable in the Standard and having each of the Obligation Characteristics, if any, specified in the Standard, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (a) **"Obligation Category"** means Payment, Borrowed Money, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Standard, and:
- (i) **"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (ii) **"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
  - (iii) N/A;
  - (iv) **"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
  - (v) **"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
  - (vi) **"Bond or Loan"** means any obligation that is either a Bond or a Loan.
- (b) **"Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, and:
- (i)
    - (A) **"Not Subordinated"** means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the Prior Reference Obligation, if applicable;
    - (B) **"Subordination"** means, with respect to an obligation (the **"Second Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"First Obligation"**), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganization or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation, or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. **"Subordinated"** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and "Standard Reference Obligation" is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date; and
    - (C) **"Prior Reference Obligation"** means, in circumstances where no Reference Obligation is applicable to a Reference Entity, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in

the Pricing Supplement as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;

- (ii) "**Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the Pricing Supplement (or if no currency is specified as a "Specified Currency" in the Pricing Supplement, any Standard Specified Currency), **provided that** if the euro is a Specified Currency, "Specified Currency" shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (iii) "**Not Sovereign Lender**" means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as "Paris Club debt";
- (iv) "**Not Domestic Currency**" means any obligation that is payable in any currency other than the applicable Domestic Currency, **provided that** a Standard Specified Currency shall not constitute a Domestic Currency;
- (v) "**Not Domestic Law**" means any obligation that is not governed by the applicable Domestic Law, **provided that** the laws of England and the laws of the State of New York shall not constitute a Domestic Law;
- (vi) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (vii) "**Not Domestic Issuance**" means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

**Section 3.14. Method for Determining Valuation Obligations.** For purposes of Section 3.2(a) (*Valuation Obligation*), the term "**Valuation Obligation**" may be defined as each obligation of the Reference Entity described by the Valuation Obligation Category specified as being applicable in the Standard, and, subject to Section 3.15 (*Interpretation of Provisions*), having each of the Valuation Obligation Characteristics, if any, specified as being applicable in the Standard, in each case, as of the Valuation Date (unless otherwise specified). The following terms shall have the following meanings:

- (a) "**Valuation Obligation Category**" means one of Payment, Borrowed Money, Bond, Loan, or Bond or Loan (each as defined in Section 3.13(a) (*Method for Determining Obligations*)).
- (b) "**Valuation Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, and:
  - (i) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the

consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

- (ii) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent;
- (iii) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of a notional protection seller that provides such notional seller with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between (i) such notional seller and (ii) either (A) the Issuer (to the extent the Issuer was then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (iv) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, **provided that** none of the following shall be considered contractual, statutory or regulatory restrictions:
  - (A) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
  - (B) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - (C) restrictions in respect of blocked periods on or around payment dates or voting periods;
- (v) "**Maximum Maturity**" means an obligation that has a remaining maturity of not greater than the period specified in the Standard (or if no such period is specified, thirty years);
- (vi) "**Accelerated or Matured**" means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (vii) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system.

### **Section 3.15. Interpretation of Provisions.**

- (a) If either of the Obligation Characteristics "Listed" or "Not Domestic Issuance" is specified as being applicable in the Standard or the Pricing Supplement, the Securities shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- (b) If (i) any of the Valuation Obligation Characteristics "Listed", "Not Domestic Issuance" or "Not Bearer" is specified as being applicable in the Standard or the Pricing Supplement, the Securities shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds, (ii) the Valuation Obligation Characteristic "Transferable" is specified as being applicable in the Standard or the Pricing Supplement shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans, or (iii) any of the Valuation Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified as being applicable in the Standard or

the Pricing Supplement, the Securities shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans.

- (c) If more than one of "Assignable Loan", "Consent Required Loan" and "Direct Loan Participation" are specified as Valuation Obligation Characteristics in the Standard, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics.
- (d) If an Obligation or a Valuation Obligation is a Relevant Guarantee, the following will apply:
  - (i) For purposes of the application of the "Obligation Category" or the "Valuation Obligation Category", the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (ii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Valuation Obligation Characteristics, if any, specified in the Standard from the following list: "Not Subordinated", "Specified Currency", "Not Sovereign Lender", "Not Domestic Currency" and "Not Domestic Law";
  - (iii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Valuation Obligation Characteristics, if any, specified in the Standard from the following list: "Listed", "Not Domestic Issuance", "Assignable Loan", "Consent Required Loan", "Direct Loan Participation", "Transferable", "Maximum Maturity", "Accelerated" or "Matured", and "Not Bearer"; and
  - (iv) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (e) For purposes of the application of the Valuation Obligation Characteristic "Maximum Maturity", remaining maturity shall be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the remaining maturity shall be zero.
- (f) If "Financial Reference Entity Terms" and "Governmental Intervention" are specified as being applicable in the Standard, if an obligation would otherwise satisfy a particular Obligation Characteristic or Valuation Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Valuation Obligation Characteristic.
- (g) For purposes of determining the applicability of Valuation Obligation Characteristics and the requirements specified in Sections 3.31(a) (*Mod R*) and 3.32(a) (*Mod Mod R*) to a Prior Valuation Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (h) If "Subordinated European Insurance Terms" is specified as being applicable in the Standard, if an obligation would otherwise satisfy the "Maximum Maturity" Valuation Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Valuation Obligation Characteristic.

**Section 3.16. Standard Specified Currency.** "Standard Specified Currency" means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

**Section 3.17. Domestic Currency.** "Domestic Currency" means the currency specified as such in the Standard and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organized, if the Reference Entity is not a Sovereign).

**Section 3.18. Domestic Law.** "Domestic Law" means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

**Section 3.19. Solvency Capital Provisions.** "Solvency Capital Provisions" means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

**Section 3.20. Qualifying Participation Seller.** "Qualifying Participation Seller" means any participation seller that meets the requirements specified in the Standard. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**Section 3.21. Qualifying Guarantee.** "Qualifying Guarantee" means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
  - (i) by payment;
  - (ii) by way of Permitted Transfer;
  - (iii) by operation of law;
  - (iv) due to the existence of a Fixed Cap; or
  - (v) due to:
    - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the Standard; or
    - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the Standard.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in Section 4.2 (*Bankruptcy*) in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (a) the benefit of such guarantee must be capable of being delivered together with the delivery of the Underlying Obligation; and
- (b) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being delivered together with the delivery of such guarantee.

**Section 3.22. Relevant Guarantee.** "Relevant Guarantee" means, with respect to a Reference Entity, a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as being applicable in the Standard, a Qualifying Guarantee.

**Section 3.23. Underlying Obligation.** "Underlying Obligation" means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**Section 3.24. Underlying Obligor.** "Underlying Obligor" means with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

**Section 3.25. Permitted Transfer.** "Permitted Transfer" means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

**Section 3.26. Fixed Cap.** "Fixed Cap" means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, **provided that** a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

**Section 3.27. Qualifying Affiliate Guarantee.** "Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

**Section 3.28. Downstream Affiliate.** "Downstream Affiliate" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than fifty per cent. owned, directly or indirectly, by the Reference Entity.

**Section 3.29. Voting Shares.** "Voting Shares" means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Section 3.30. Guarantee.** "Guarantee" means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**Section 3.31. Mod R.**

- (a) If, for the purpose of a Reference Entity in respect of which a Restructuring has occurred, (i) "Cash Settlement" is specified to be the Settlement Method (or is applicable as the Fallback Settlement Method in accordance with Section 6.1 (*Auction Settlement*)), (ii) "Mod R" is specified as being applicable in the Standard, and (iii) Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Valuation Obligation and Asset Package Valuation applies due to a Governmental Intervention, the Valuation Obligation may only be an obligation which, as determined by the Calculation Agent (in its sole and absolute discretion), (A) is a Fully Transferable Obligation and (B) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date, in each case, as of the Valuation Date.
- (b) "**Fully Transferable Obligation**" means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, in each case, as of the Valuation Date. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent,

clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of Section 3.31.

(c) **"Restructuring Maturity Limitation Date"** means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Credit Observation End Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Credit Observation End Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

(d) **"Eligible Transferee"** means:

(i) any

(A) bank or other financial institution;

(B) insurance or reinsurance company;

(C) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in Section 3.31(d)(iii)(A)); and

(D) registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least USD 500,000,000;

(ii) an Affiliate of an entity specified in Section 3.31(d)(i);

(iii) each of a corporation, partnership, proprietorship, organization, trust or other entity:

(A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralized debt obligations, commercial paper conduit or other special purpose vehicle) that (I) has total assets of at least USD 100,000,000 or (II) is one of a group of investment vehicles under common control or management having, in aggregate, total assets of at least USD 100,000,000;

(B) that has total assets of at least USD 500,000,000; or

(C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in Sections 3.31(d)(i), (ii), (iii)(B) or (iv); or

(iv)

(A) any Sovereign; or

(B) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in Section 3.31(d) to USD include equivalent amounts in other currencies, as determined by the Calculation Agent.

### **Section 3.32. Mod Mod R.**

(a) If, for the purpose of a Reference Entity in respect of which a Restructuring has occurred, (i) "Cash Settlement" is specified to be the Settlement Method (or is applicable as the Fallback Settlement Method in accordance with Section 6.1 (*Auction Settlement*)), (ii) "Mod Mod R" is specified as

being applicable in the Standard, and (iii) Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Valuation Obligation is a Prior Valuation Obligation and Asset Package Valuation applies due to a Governmental Intervention, a Valuation Obligation may only be an obligation which, as determined by the Calculation Agent (in its sole and absolute discretion), (A) is a Conditionally Transferable Obligation and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of the Valuation Date. Notwithstanding the foregoing, for purposes of Section 3.32(a), in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

- (b) "**Conditionally Transferable Obligation**" means a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Valuation Obligation other than Bonds, in each case, as of the Valuation Date, provided, however, that a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Valuation Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of Section 3.32(b).

(c) N/A

- (d) "**Modified Restructuring Maturity Limitation Date**" means, with respect to a Valuation Obligation, the Limitation Date occurring on or immediately following the Credit Observation End Date.

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

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

### **Section 3.33. General Terms Relating to Mod R and Mod Mod R.**

- (a) "**Limitation Date**" means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "**2.5-year Limitation Date**"), 5 years, 7.5 years, 10 years (the "**10-year Limitation Date**"), 12.5 years, 15 years, or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.
- (b) "**Restructured Bond or Loan**" means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred.
- (c) "**Restructuring Date**" means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.
- (d) For the purposes of making a determination pursuant to Sections 3.31 (*Mod R*) and 3.32 (*Mod Mod R*), final maturity date shall, subject to Section 3.32(a) (*Mod Mod R*), be determined on the basis of the terms of the Valuation Obligation in effect at the time of making such determination and, in the case of a Valuation Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

## ARTICLE IV

### CREDIT EVENTS

**Section 4.1. Credit Event.** "Credit Event" means the occurrence in respect of any Reference Entity or any Obligation of any Reference Entity of any of the events specified as being Credit Events applicable to such Reference Entity in the Standard. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defense based upon (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

Once an Event Determination Date has occurred with respect to a Reference Entity, no further Event Determination Date, Potential Failure to Pay or Potential Repudiation/Moratorium may occur with respect to such Reference Entity except (i) to the extent that such Reference Entity is the Successor to one or more other Reference Entities (or Successor thereof) in respect of which no Event Determination Date has previously occurred, (ii) in the case of a Reference Entity in respect of which an M(M)R Restructuring is specified in the Standard and in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, to the extent of its Remaining Credit Position, and (iii) to the extent, if any, that additional credit protection on such Reference Entity is subsequently obtained as may be permitted in accordance with the terms of the Securities.

**Section 4.2. Bankruptcy.** "Bankruptcy" means the Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due, (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective, (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof, (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter, or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in Sections 4.2(a) to (g).

**Section 4.3. Obligation Acceleration.** "Obligation Acceleration" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**Section 4.4. Obligation Default.** "Obligation Default" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

**Section 4.5. Failure to Pay.** "Failure to Pay" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

**Section 4.6. Repudiation/Moratorium.**

- (a) "**Repudiation/Moratorium**" means the occurrence of both of the following events:
- (i) an authorized officer of the Reference Entity or a Governmental Authority (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
  - (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.
- (b) "**Repudiation/Moratorium Evaluation Date**" means, if a Potential Repudiation/Moratorium occurs on or prior to the Credit Observation End Date (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty days after the date of such Potential Repudiation/Moratorium; **provided that**, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Credit Observation End Date unless the Repudiation/Moratorium Extension Condition is satisfied.
- (c) "**Potential Repudiation/Moratorium**" means the occurrence of an event described in Section 4.6(a)(i).
- (d) The "**Repudiation/Moratorium Extension Condition**" is satisfied with respect to a Reference Entity (i) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is fourteen calendar days after the Credit Observation End Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Credit Observation End Date, or (ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice that is effective on or prior to the date that is fourteen calendar days after the Credit Observation End Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Credit Observation End Date.
- (e) "**Repudiation/Moratorium Extension Notice**" means an irrevocable notice from the Calculation Agent to the Issuer that describes a Potential Repudiation/Moratorium that occurred on or prior to the Credit Observation End Date. The Calculation Agent shall only deliver a Repudiation/Moratorium Extension Notice where it determines that Publicly Available Information exists confirming the existence or occurrence of the relevant Potential Repudiation/Moratorium. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. The Calculation Agent may deliver multiple Repudiation/Moratorium Extension Notices in respect of a Reference Entity. In particular,

the Calculation Agent may deliver a Repudiation/Moratorium Extension Notice such that there is an Uncured Default in respect of one or more Specified Payment Dates.

#### **Section 4.7. Restructuring.**

- (a) "**Restructuring**" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs 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 later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:
- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).
- (b) Notwithstanding the provisions of Section 4.7(a), none of the following shall constitute a Restructuring:
- (i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
  - (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
  - (iii) the occurrence of, agreement to or announcement of any of the events described in Section 4.7(a)(i) to (v) due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iv) the occurrence of, agreement to or announcement of any of the events described in Sections 4.7(a)(i) to (v) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, **provided that**, in respect of Section 4.7(a)(v) only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

- (c) For purposes of Sections 4.7(a), 4.7(b) and 4.10 (*Multiple Holder Obligation*), the term Obligation shall be deemed to include 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 Section 4.7(a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in Section 4.7(b) shall continue to refer to the Reference Entity.
- (d) If an exchange has occurred, the determination as to whether one of the events described under Sections 4.7(a)(i) to (v) has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

**Section 4.8. Governmental Intervention.**

- (a) "**Governmental Intervention**" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:
  - (i) any event which would affect creditors' rights so as to cause:
    - (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
    - (B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
    - (C) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
    - (D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
  - (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
  - (iii) a mandatory cancellation, conversion or exchange; or
  - (iv) any event which has an analogous effect to any of the events specified in Sections 4.8(a)(i) to (iii).
- (b) For purposes of Section 4.8(a), the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**Section 4.9. Certain Definitions Relating to Credit Events.**

- (a) "**Default Requirement**" means the amount specified as being applicable to the Reference Entity in the Standard, or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 10,000,000 or its equivalent in the relevant Obligation Currency) in either case, as of the occurrence of the relevant Credit Event.
- (b) "**Governmental Authority**" means:
  - (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
  - (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
  - (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the 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 Sections 4.9(b)(i) to (iii).
- (c) "**Obligation Currency**" means the currency or currencies in which an Obligation is denominated.
- (d) "**Payment Requirement**" means the amount specified as being applicable to the Reference Entity in the Standard or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 1,000,000 or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**Section 4.10. Multiple Holder Obligation.**

- (a) Unless "**Multiple Holder Obligation**" is specified as not applicable to any Reference Entity in the Standard, then, notwithstanding anything to the contrary in Section 4.7 (*Restructuring*), the occurrence of, agreement to or announcement of any of the events described in Sections 4.7(a)(i) to (v) (*Restructuring*) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.
- (b) "**Multiple Holder Obligation**" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event **provided that** any Obligation that is a Bond shall be deemed to satisfy the requirement in Section 4.10(b)(ii).

**Section 4.11. Redenomination.** If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

## ARTICLE V

### GENERAL TERMS RELATING TO SETTLEMENT

#### **Section 5.1. Settlement.**

N/A

**Section 5.2. Settlement Method.** "Settlement Method" means the Settlement Method specified in the Pricing Supplement or, if no Settlement Method is specified as applicable in the Pricing Supplement, then Auction Settlement

#### **Section 5.3. Settlement Date.**

N/A

#### **Section 5.4. Settlement Currency.**

N/A

**Section 5.5. Fallback Settlement Method.** "Fallback Settlement Method" means, if "Auction Settlement" is the Settlement Method pursuant to Section 5.2 (*Settlement Method*), Cash Settlement.

## ARTICLE VI

### TERMS RELATING TO AUCTION SETTLEMENT

**Section 6.1. Auction Settlement.** If, with respect to a Reference Entity and a Credit Event, (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs pursuant to Section 6.11(b) or 6.11(c)(ii) (*No Auction Announcement Date*), the Calculation Agent has not exercised the Movement Option), (c) a DC Credit Event Question Dismissal occurs or (d) an Event Determination Date was determined pursuant to Section 1.16(a)(i) (*Event Determination Date*) or 14.1(a) (*Non-Standard Event Determination Date*) and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date, then the Fallback Settlement Method shall apply.

**Section 6.2. Auction.** "Auction" has the meaning set forth in the Transaction Auction Settlement Terms.

**Section 6.3. Auction Settlement Date.**

N/A

**Section 6.4. Auction Settlement Amount.**

N/A

**Section 6.5. Auction Final Price.** "Auction Final Price" has the meaning set forth in the Transaction Auction Settlement Terms. Following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, the Calculation Agent shall notify the Issuer, as soon as practicable after the publication of the Auction Final Price in respect of an Auction with respect to such M(M)R Restructuring, of the related Auction Final Price.

**Section 6.6. Auction Final Price Determination Date.** "Auction Final Price Determination Date" has the meaning set forth in the Transaction Auction Settlement Terms.

**Section 6.7. Credit Derivatives Auction Settlement Terms.** "Credit Derivatives Auction Settlement Terms" means any Credit Derivatives Auction Settlement Terms published by ISDA, a form of which will be published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and may be amended from time to time.

**Section 6.8. Transaction Auction Settlement Terms.** "Transaction Auction Settlement Terms" means, with respect to a Credit Event in respect of a Reference Entity, the Credit Derivatives Auction Settlement Terms for which the Hypothetical Triggered Credit Derivative Transaction would be an Auction Covered Transaction, as determined by the Calculation Agent (in its sole and absolute discretion).

**Section 6.9. Parallel Auction Settlement Terms.** "Parallel Auction Settlement Terms" means, following the occurrence of an M(M)R Restructuring with respect to a Reference Entity, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which the Deliverable Obligation Terms are the same as the Deliverable Obligation Provisions applicable to the Hypothetical Triggered Credit Derivative Transaction and for which such Hypothetical Triggered Credit Derivative Transaction would not be an Auction Covered Transaction.

**Section 6.10. Auction Covered Transaction.** "Auction Covered Transaction" has the meaning set forth in the Transaction Auction Settlement Terms.

**Section 6.11. No Auction Announcement Date.** "No Auction Announcement Date" means, with respect to a Reference Entity and a Credit Event, the date on which the DC Secretary first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of an M(M)R Restructuring with respect to such Reference Entity, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published, or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (i) no Parallel Auction will be held, or (ii) one or more Parallel Auctions will be held. For the avoidance of doubt, the No Auction Announcement Date shall be the date of the relevant announcement by the DC Secretary and not the date of any related determination by the Calculation Agent

that such announcement relates to Transaction Auction Settlement Terms, Parallel Auction Settlement Terms or an Auction.

**Section 6.12. Auction Cancellation Date.** "Auction Cancellation Date" has the meaning set forth in the Transaction Auction Settlement Terms.

**Section 6.13. Parallel Auction Cancellation Date.**

N/A

**Section 6.14. Parallel Auction.** "Parallel Auction" means "Auction" as defined in the relevant Parallel Auction Settlement Terms.

**Section 6.15. Movement Option.** "Movement Option" means, with respect to an M(M)R Restructuring to which a No Auction Announcement Date has occurred pursuant to Section 6.11(b) or (c)(ii) (*No Auction Announcement Date*), the option of the Calculation Agent, exercisable by delivery of an effective Notice to Exercise Movement Option to the Issuer, to apply the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the "Deliverable Obligations" that the "Buyer" in respect of the Hypothetical Triggered Credit Derivative Transaction could specify in any "Notice of Physical Settlement" under such Hypothetical Triggered Credit Derivative Transaction (where the foregoing terms, which appear in quotes, have the meanings given to them in the Hypothetical Triggered Credit Derivative Transaction) (**provided that** if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply).

If the Calculation Agent does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, such Credit Event will be subject to the Fallback Settlement Method.

**Section 6.16. Permissible Deliverable Obligations.** "Permissible Deliverable Obligations" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

**Section 6.17. Movement Option Cut-off Date.** "Movement Option Cut-off Date" means the date that is one Relevant City Business Day following the Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

**Section 6.18. Notice to Exercise Movement Option.** "Notice to Exercise Movement Option" means, with respect to a Reference Entity for which (a) an M(M)R Restructuring is applicable and (b) the Fallback Settlement Method would otherwise be applicable pursuant to Section 6.1(b) (*Auction Settlement*), an irrevocable notice from the Calculation Agent to the Issuer that (i) specifies the Parallel Auction Settlement Terms applicable with respect to such Reference Entity in accordance with Section 6.15 (*Movement Option*) and (ii) is effective on or prior to the Movement Option Cut-off Date. A Notice to Exercise Movement Option shall be subject to the requirements regarding notices set forth in Section 1.38 (*Requirements Regarding Notices*).

**Section 6.19. Deliverable Obligation Terms.** "Deliverable Obligation Terms" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

**Section 6.20. Deliverable Obligation Provisions.** "Deliverable Obligation Provisions" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

## ARTICLE VII

### TERMS RELATING TO CASH SETTLEMENT

#### Section 7.1. Cash Settlement.

N/A

#### Section 7.2. Cash Settlement Date.

N/A

#### Section 7.3. Cash Settlement Amount.

N/A

#### Section 7.4. Final Price.

- (a) If "Auction Settlement" is specified as the Settlement Method in the Pricing Supplement, and an Event Determination Date has occurred on or prior to the Auction Final Price Determination Date and in accordance with Section 6.1 (*Auction Settlement*) the Fallback Settlement Method is not applicable, "**Final Price**" shall mean the Auction Final Price.
- (b) Subject to Section 7.4(a), if "Cash Settlement" is specified as the Settlement Method in the Pricing Supplement or in accordance with Section 6.1 (*Auction Settlement*) the Fallback Settlement Method is applicable, "**Final Price**" means the price of the Valuation Obligation, expressed as a percentage of its (i) Outstanding Principal Balance (in the case of a Valuation Obligation that is Borrowed Money) or (ii) Due and Payable Amount (in the case of a Valuation Obligation that is not Borrowed Money), determined in accordance with the Valuation Method.

For such purpose, the relevant Valuation Obligation shall be a Valuation Obligation selected by the Calculation Agent (in its sole and absolute discretion) on or before the relevant Valuation Date.

If Asset Package Valuation applies, (I) selection of a Prior Valuation Obligation or a Package Observable Bond may be substituted with the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Valuation Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (II) the Calculation Agent may substitute the Prior Valuation Obligation or Package Observable Bond in part for each Asset in the Asset Package in the correct proportion and (III) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value. For the avoidance of doubt, if the Asset Package is deemed to be zero, the Final Price shall be zero.

**Section 7.5. Valuation Method.** The Valuation Method shall be Market, where "**Market**" means the Market Value determined by the Calculation Agent.

**Section 7.6. Market Value.** "**Market Value**" means, with respect to the Valuation Obligation and a Valuation Date, (a) if more than three Full Quotations are obtained on the same Valuation Business Day in accordance with Section 7.7 (*Quotation*), 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 on the same Valuation Business Day in accordance with Section 7.7 (*Quotation*), 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 on the same Valuation Business Day in accordance with Section 7.7 (*Quotation*), the arithmetic mean of such Full Quotations, (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained on the same Valuation Business Day in accordance with Section 7.7 (*Quotation*), such Weighted Average Quotation, (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained on the same Valuation Business Day in accordance with Section 7.7 (*Quotation*), an amount determined pursuant to the provisions of Section 7.7(b) (*Quotation*).

**Section 7.7. Quotation.** "Quotation" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Valuation Obligation's Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day within three Valuation Business Days of the relevant Valuation Date, then on the next following Valuation Business Day (and, if necessary, on each Valuation Business Day thereafter until the fifteenth Valuation Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more 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 Valuation Business Day on or prior to the fifteenth Valuation Business Day following the applicable Valuation Date, then the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such fifteenth Valuation Business Day or, if no Full Quotation is obtained, then the weighted average of any firm quotations for the Valuation Obligation obtained from Dealers at the Valuation Time on such fifteenth Valuation 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.

**Section 7.8. Valuation Date.** "Valuation Date" means, subject to Section 10.1 (*Settlement Suspension*), in respect of a Defaulted Credit, as selected by the Calculation Agent in its sole and absolute discretion, any Valuation Business Day falling in the period from and including the Valuation Event Date to and including the 125th Valuation Business Day following the Valuation Event Date. The Calculation Agent will select as the Valuation Date a day falling on or before the 72nd Valuation Business Day following the Valuation Event Date unless the Calculation Agent determines that material problems exist in the marketplace in delivering obligations of the relevant Reference Entity under credit default swap contracts, in which case it may select a Valuation Date falling after the 72nd Valuation Business Day, but not later than the 125th Valuation Business Day, following the Valuation Event Date.

"Valuation Event Date" means the Event Determination Date (or, if "Cash Settlement" is applicable pursuant to the Fallback Settlement Method in accordance with Section 6.1(a) or (b), the relevant Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable).

For the avoidance of doubt:

- (i) more than one Credit Event Notice may be delivered from time to time following the occurrence of an Event Determination Date relating only to an M(M)R Restructuring in respect of a Reference Entity, **provided that** the sum of the Exercise Amounts in respect of any such Reference Entity does not exceed the Credit Position;
- (ii) the Calculation Agent may select a different Valuation Obligation in respect of each Valuation Date; and
- (iii) subject to the other provisions hereof, at any time following the occurrence of an M(M)R Restructuring in respect of any Reference Entity, the Calculation Agent may, by delivery to the Issuer of a Credit Event Notice relating only to an M(M)R Restructuring, designate such Exercise Amount as it determines in its sole and absolute discretion to be subject to such Credit Event Notice, **provided that** the Exercise Amount shall be in an amount of at least the Minimum Exercise Amount; where, "**Minimum Exercise Amount**" means the amount (if any) specified as such in the Pricing Supplement.

**Section 7.9. Quotation Method.** The applicable Quotation Method shall be Bid, where "Bid" means that only bid quotations shall be requested from Dealers.

**Section 7.10. Full Quotation.** "Full Quotation" means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an

amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

**Section 7.11. Weighted Average Quotation.** "Weighted Average Quotation" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

**Section 7.12. Quotation Amount.** "Quotation Amount" means an amount selected by the Calculation Agent in its sole and absolute discretion, subject to a minimum of the Minimum Quotation Amount and a maximum of the Maximum Quotation Amount.

**Section 7.13. Maximum and Minimum Quotation Amounts.** "Minimum Quotation Amount" means the amount specified as such in the Pricing Supplement or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 1,000,000 (or its equivalent in the relevant Obligation Currency)).

"Maximum Quotation Amount" means (i) where the Credit Position is not specified to be a percentage, the Credit Position of the relevant Reference Entity, save that in the case of a Reference Entity in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, the Maximum Quotation Amount shall be equal to the relevant Exercise Amount and (ii) where the Credit Position is specified to be a percentage, the amount specified in the Pricing Supplement or, if no such amount is specified in the Pricing Supplement, U.S.\$100,000,000, save that in the case of a Reference Entity in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, the Maximum Quotation Amount shall be equal to the amount determined in accordance with the foregoing multiplied by the quotient of the relevant Exercise Amount (as numerator) and the Credit Position (as denominator).

**Section 7.14. Valuation Time.** "Valuation Time" means, the time specified in the Pricing Supplement, or if no such time is specified, as selected by the Calculation Agent in its sole and absolute discretion, any time at or after 11:00 a.m. in the principal trading market for the Reference Obligation.

**Section 7.15. Dealer.** "Dealer" means, as selected by the Calculation Agent in its sole and absolute discretion, dealers which are either (i) dealers in obligations of the type of obligations for which quotations are to be obtained (which may include any such dealer which is an Affiliate of the Calculation Agent) or (ii) named in the Pricing Supplement, including the respective successors of such named dealers.

**Section 7.16. Representative Amount.**

N/A

## ARTICLE VIII

### ADDITIONAL TERMS RELATING TO CASH SETTLEMENT

#### Section 8.1. Physical Settlement.

N/A

#### Section 8.2. Notice of Physical Settlement.

N/A

#### Section 8.3. NOPS Effective Date.

N/A

**Section 8.4. Relevant Holder.** "Relevant Holder" means a holder of the Prior Valuation Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Quotation Amount determined by the Calculation Agent in its sole and absolute discretion.

**Section 8.5. Asset Package.** "Asset Package" means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Valuation Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered a choice of Assets or a choice of combinations of Assets, the Asset Package will be the Largest Asset Package. If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero.

**Section 8.6. Largest Asset Package.** "Largest Asset Package" means, in respect of a Prior Valuation Obligation or a Package Observable Bond, as the case may be, the package of Assets for which the greatest amount of principal has been or will be exchanged or converted (including by way of amendment), as determined by the Calculation Agent by reference to Eligible Information. If this cannot be determined, the Largest Asset Package will be the package of Assets with the highest immediately realizable value, determined by the Calculation Agent in accordance with the methodology, if any, determined by the relevant Credit Derivatives Determinations Committee.

**Section 8.7. Asset.** "Asset" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

**Section 8.8. Asset Package Valuation.** Asset Package Valuation will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

**Section 8.9. Asset Package Credit Event.** "Asset Package Credit Event" means:

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

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

**Section 8.10. NOPS Cut-off Date.**

N/A

**Section 8.11. Parallel Notice of Physical Settlement Date.**

N/A

**Section 8.12. Deliver.**

N/A

**Section 8.13. Non-Transferable Instrument.** "Non-Transferable Instrument" means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

**Section 8.14. Non-Financial Instrument.** "Non-Financial Instrument" means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

**Section 8.15. Asset Market Value.** "Asset Market Value" means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

**Section 8.16. Delivery Date.**

N/A

**Section 8.17. Physical Settlement Date.**

N/A

**Section 8.18. Physical Settlement Amount.**

N/A

**Section 8.19. Physical Settlement Period.**

N/A

**Section 8.20. Currency Amount.**

N/A

**Section 8.21. Currency Rate.**

N/A

**Section 8.22. Revised Currency Rate.**

N/A

**Section 8.23. Next Currency Fixing Time.**

N/A

**Section 8.24. Currency Rate Source.**

N/A

**ARTICLE IX**

**FALLBACK PROVISIONS APPLICABLE TO PHYSICAL SETTLEMENT**

**N/A**

## ARTICLE X

### EFFECT OF DC RESOLUTIONS

**Section 10.1. Settlement Suspension.** If, following the occurrence of an Event Determination Date but prior to a Valuation Date, there is a DC Credit Event Meeting Announcement, the timing requirements of Section 7.8 (*Valuation Date*), or any other Section of this Credit Annex that pertains to settlement, shall toll and remain suspended until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. During such suspension period, the Calculation Agent is not obliged to, nor is it entitled to, take any action in connection with the settlement of any Defaulted Credit. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal, as applicable, has occurred, the relevant timing requirements of Section 7.8 (*Valuation Date*), or any other Section of this Credit Annex that pertains to settlement that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Calculation Agent having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with Section 10.1.

**Section 10.2. Effect of DC Resolutions.** Any DC Resolution of the relevant Credit Derivatives Determinations Committee that is applicable to such Defaulted Credit, including a DC Resolution that reverses a previous DC Resolution, shall be binding on the Issuer and the Calculation Agent:

(a) **provided that:**

(i) if the effect of a DC Resolution would be to reverse (A) a prior DC Resolution of the relevant Credit Derivatives Determinations Committee, (B) any determination made by the Calculation Agent that is effectively notified to the Issuer prior to the fifth Business Day which immediately precedes the Successor Resolution Request Date or a Substitute Reference Obligation Resolution Request Date, as applicable, or (C) the occurrence of an Event Determination Date, that, in any case, has resulted in:

(I) the identification of one or more Successors;

(II) the identification of a Substitute Reference Obligation; or

(III) the occurrence of an Auction Final Price Determination Date, a Valuation Date or the Maturity Date, in each case, on or prior to the date that the DC Secretary publicly announces such DC Resolution of the relevant Credit Derivatives Determinations Committee, then such DC Resolution shall not be effective, or, in the case of a Valuation Date only, shall not be effective to the extent that a Valuation Date has occurred; and

(b) notwithstanding:

(i) that the terms of this Credit Annex, as supplemented, or any provisions incorporated in the related Conditions, as applicable, may require such determination to be made by the Calculation Agent;

(ii) that in order to reach such DC Resolution, the relevant Credit Derivatives Determinations Committee may be required to Resolve one or more factual matters before being able to reach such DC Resolution; and

(iii) any actual or perceived conflict of interest on the part of a DC Party, legal counsel or other third-party professional hired by such DC Party in connection with such DC Party's performance of its duties under the DC Rules.

## ARTICLE XI

### ADDITIONAL REPRESENTATIONS AND AGREEMENTS OF THE PARTIES

#### Section 11.1. Additional Representations and Agreements of the Parties.

- (a) The Issuer and each Holder shall each be deemed to represent to the other on each Trade Date that, in connection with a Reference Entity, neither the other person nor any of the other person's Affiliates have made any representation whatsoever with respect to the Reference Entity, the Reference Obligation, any Obligation, any Valuation Obligation, any Underlying Obligor or any Underlying Obligation on which it is relying or is entitled to rely.
- (b) On each Trade Date, the Issuer and each Holder (each a "**relevant person**") shall each be deemed to agree with the other that, so long as the Securities remain outstanding:
  - (i) the relevant persons will be obligated to perform their respective obligations, irrespective of the existence or amount of the persons' credit exposure to the Reference Entity, and no person need suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event;
  - (ii) the Securities do not create any rights or impose any obligations in respect of any entity that is not the Issuer or a Holder;
  - (iii) each relevant person and its Affiliates and the Calculation Agent may deal in the Reference Obligation, each Obligation, each Valuation Obligation and each Underlying Obligation and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, the Reference Entity, any Underlying Obligor, any Affiliate of the Reference Entity or of the Underlying Obligor, or any other person or entity having obligations relating to the Reference Entity, any Underlying Obligor, or any Affiliate of the Reference Entity or of the Underlying Obligor, and may act (but is not obliged to act) with respect to such business in the same manner as each of them would if the Securities did not exist, regardless of whether any such action might have an adverse effect on the Reference Entity, any Underlying Obligor, any Affiliate of the Reference Entity or of the Underlying Obligor, or the position of the Holder(s) or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event);
  - (iv) each relevant person and its Affiliates and the Calculation Agent may, whether by virtue of the types of relationships described herein or otherwise, on any Trade Date or at any time thereafter, be in possession of information in relation to the Reference Entity, any Underlying Obligor or any Affiliate of the Reference Entity or of the Underlying Obligor, that is or may be material in the context of the Securities and that may or may not be publicly available or known to the other person, and the Securities do not create any obligation on the part of such person, its Affiliates or the Calculation Agent to disclose to the other person any such relationship or information (whether or not confidential);
  - (v) unless it is otherwise bound by or subject to a confidentiality obligation or agreement, a person receiving any information from the other person with respect to the Securities shall not become subject to any obligation of confidentiality in respect of that information;
  - (vi) each relevant person has determined to invest in the Securities notwithstanding any information described in Section 11.1(b)(iv) that the other person may have possession of, and notwithstanding that such person may be contractually prohibited from disclosing or offering to disclose such information to the other person by virtue of any credit agreement or other agreement with the Reference Entity, any Underlying Obligor, any Affiliate of the Reference Entity or of the Underlying Obligor, or any other person or entity having obligations relating to the Reference Entity, any Underlying Obligor, any Affiliate of the Reference Entity or of the Underlying Obligor or otherwise; and
  - (vii) no relevant person shall have any liability to the other person (or its officers, directors, agents, partners, members, controlling entities or employees) and each party waives and

releases any claims that it might have against the other party (or its officers, directors, agents, partners, members, controlling entities or employees) whether under applicable securities laws or otherwise, with respect to the non-disclosure of any information described in Section 11.1(b)(iv) in connection with the Securities; provided, however, that such information does not and shall not affect the truth or accuracy of any representation made or deemed to be made by such person herein or in the Securities.

- (c) On each Trade Date, the Issuer and each Holder shall each be deemed to agree with the other:
- (i) that no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the DC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, shall be liable, whether for negligence or otherwise, to the Issuer or any Holder for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with such DC Party's performance of its duties, or any advice given by legal counsel or any other third party professional hired by such DC Party in connection with such DC Party's performance of its respective duties, under the DC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; **provided that**, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the DC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, may still be liable to such DC Party;
  - (ii) to waive any claim, whether for negligence or otherwise, that may arise against a DC Party and any legal counsel or other third-party professional hired by such DC Party in connection with such DC Party's performance of its duties under the DC Rules, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; **provided that**, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the DC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, may still be liable to such DC Party;
  - (iii) that no DC Party is (A) under any obligation to research, investigate, supplement, or verify the veracity of, any information on which the relevant Credit Derivatives Determinations Committee bases its decision and (B) acting as a fiduciary for, or as an advisor to, the Issuer or any Holder in connection with the Securities;
  - (iv) that, in reaching any DC Resolution that is applicable to the Securities, the relevant Credit Derivatives Determinations Committee shall be under no requirement to consult with, or individually notify, the Issuer or any Holder, notwithstanding any provision of this Credit Annex, the Credit Derivatives Definitions, as supplemented, or of any relevant additional provisions published by ISDA and that are applicable to the Securities to the contrary; and
  - (v) that, with respect to any DC Resolution of the relevant Credit Derivatives Determinations Committee, if there is any inconsistency between (A) any provision of either (I) this Credit Annex, the Credit Derivatives Definitions, as supplemented, or (II) any provisions incorporated in the related Securities and (B) the DC Rules, the DC Rules will govern.
- (d) On each Trade Date, the Issuer and each Holder shall be deemed to acknowledge the Disclaimer by the DC Parties provision contained in the DC Rules.

### **Section 11.2. Additional Representations and Agreements for Physical Settlement.**

N/A

**Section 11.3. No Frustration.** In the absence of other reasons, the Securities will not be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise) solely because:

- (a) the Reference Entity does not exist on, or ceases to exist on or following, the Trade Date relating to that Reference Entity; and/or

- (b) Obligations, Valuation Obligations or the Reference Obligation relating to a Reference Entity do not exist on, or cease to exist on or following, the Trade Date relating to that Reference Entity.

**Section 11.4. Merger of Reference Entity and Seller.**

N/A

**ARTICLE XII**

**INITIAL PAYMENT AMOUNT, FIXED AMOUNTS AND FLOATING RATE PAYER  
CALCULATION AMOUNT**

N/A

## ARTICLE XIII

### CREDIT DERIVATIVES PHYSICAL SETTLEMENT MATRIX

**Section 13.1 Application of Credit Derivatives Physical Settlement Matrix.** In respect of a Reference Entity and the "Transaction Type" identified as being applicable to that Reference Entity, the terms set out in the Credit Derivatives Physical Settlement Matrix with respect to such Transaction Type, subject to amendment as set out in the following paragraph, and assuming that they apply to a 2014 Definitions Transaction (as defined in the Credit Derivatives Physical Settlement Matrix) only, shall be deemed to be the "**Standard**" with respect to that Reference Entity **provided that** the Pricing Supplement does not specify any inconsistent terms, in which case the terms specified in the Pricing Supplement shall prevail.

**Section 13.2** For purposes of the Standard with respect to a Reference Entity, the following amendments shall be deemed made to the Credit Derivatives Physical Settlement Matrix or to the provisions referred to therein, as applicable. "**Credit Derivatives Physical Settlement Matrix**" means the "Credit Derivatives Physical Settlement Matrix", as most recently amended and supplemented as at the Trade Date and as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto):

- (a) all rows shall be deemed deleted save for those named: Transaction Type; Business Day; Calculation Agent City; All Guarantees; Credit Events; Obligation Category; Obligation Characteristics; Deliverable Obligation Category; Deliverable Obligation Characteristics; Financial Reference Entity Terms; Subordinated European Insurance Terms; 2014 Sovereign No Asset Package Delivery Supplement to the 2014 ISDA Credit Derivatives Definitions (15 September 2014); Monoline Supplement; Additional Provisions for the Russian Federation (13 August 2004); Hungary Additional Provisions; Additional Provisions for the Argentine Republic; Excluded Obligations and Excluded Deliverable Obligations (21 December 2005); Secured Deliverable Obligation Characteristic Additional Provisions; LPN Additional Provisions; Additional Provisions for STMicroelectronics NV (6 December 2007); Sukuk Additional Provisions; Additional Provisions for the Hellenic Republic (29 May 2012); and 2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions (15 September 2014).
- (b) following such deemed deletion, all references to Deliverable Obligation Category shall instead be deemed to be to Valuation Obligation Category, all references to Deliverable Obligation Characteristics shall instead be deemed to be to Valuation Obligation Characteristics, and all references to Deliverable Obligation shall instead be deemed to be to Valuation Obligation (save for where such terminology is used in the context of Hypothetical Credit Derivative Transaction or Hypothetical Triggered Credit Derivative Transaction or as the context may otherwise require);
- (c) the Calculation Agent can deem such amendments to be made to the Credit Derivatives Physical Settlement Matrix and/or to any additional provisions or supplements referred to in paragraph (a) above as it determines necessary in order that the terminology and defined terms used therein correspond with those used in this Credit Annex. Without prejudice to the generality of the foregoing:
  - (i) all references to the 2014 ISDA Credit Derivatives Definitions shall be deemed to be references to this Credit Annex, unless the context otherwise requires;
  - (ii) all references to Business Day shall be deemed to be to Valuation Business Day, as the context so requires, **provided that**, where the Credit Derivatives Physical Settlement Matrix specifies a definition of Business Day, any locations therein not included in the definition of Valuation Business Day shall be added to the definition of Valuation Business Day as additional locations and the definition of Business Day shall not be affected;
  - (iii) references to the relevant Confirmation shall be construed as references to the Securities;
  - (iv) in the 2014 Sovereign No Asset Package Delivery Supplement to the 2014 ISDA Credit Derivatives Definitions (published on 15 September 2014) reference to Asset Package Delivery shall be deemed to be to Asset Package Valuation;

- (v) in the Additional Provisions for Monoline Insurer Reference Entities (published on 15 September 2014) reference in paragraph (e) (*Deliver*) to "For purposes of Section 8.12 (*Deliver*)," and the last sentence of paragraph (j) (*Other Provisions*) shall be deemed to be deleted; and
- (vi) in the Additional Provisions for Sukuk Corporate and Sukuk Sovereign Transaction Types (published on 15 September 2014) all references to Sections 8.12, 11.2, 9.7 and 9.8 shall be deemed to be deleted.

## ARTICLE XIV

### NON-STANDARD EVENT DETERMINATION DATE AND NON-STANDARD EXERCISE CUT- OFF DATE

**Section 14.1. Non-Standard Event Determination Date.** "Non-Standard Event Determination Date" means with respect to a Reference Entity and a Credit Event to which Section 1.16(a) (*Event Determination Date*) does not apply:

- (a) subject to Section 14.1(b), the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, **provided that** neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
  - (b) notwithstanding Section 14.1(a), if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:
    - (i) the Credit Event Resolution Request Date, if either:
      - (A)
        - (I) "Auction Settlement" is not the applicable Settlement Method;
        - (II) the relevant Credit Event is not an M(M)R Restructuring; and
        - (III) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or
      - (B)
        - (I) the relevant Credit Event is an M(M)R Restructuring; and
        - (II) a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the Non-Standard Exercise Cut-off Date, or
    - (ii) the first date on which a Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if:
      - (A) "Auction Settlement" is not the applicable Settlement Method;
      - (B) the relevant Credit Event is not an M(M)R Restructuring; and
      - (C) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date,
- provided that:**
- (aa) no Maturity Date has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs;
  - (bb) if any Valuation Date has occurred on or prior to the date on which the DC Credit Event Meeting Announcement occurs, a Non-Standard Event Determination Date shall be deemed to have occurred only with respect to any Credit Position (or portion thereof) with respect to which no Valuation Date has occurred; and

- (cc) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Calculation Agent, (xx) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (yy) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the then outstanding Remaining Credit Position or (zz) unless the Hypothetical Triggered Credit Derivative Transaction would be an Auction Covered Transaction and the Deliverable Obligations set out on the Final List would be identical to the Permissible Deliverable Obligations for such Hypothetical Triggered Credit Derivative Transaction.

**Section 14.2. Non-Standard Exercise Cut-off Date.** "Non-Standard Exercise Cut-off Date" means, with respect to a Credit Event and a Reference Entity to which Section 1.16(a) (*Event Determination Date*) does not apply:

- (a) N/A; or
- (b) if such Credit Event is an M(M)R Restructuring and:
  - (i) the DC Secretary publishes a Final List applicable to the Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is five Relevant City Business Days following the date on which such Final List is published; or
  - (ii) otherwise, the date that is fourteen calendar days following the relevant No Auction Announcement Date.

## ARTICLE XV

### SUPPLEMENTARY PROVISIONS

#### Section 15.1. Definitions.

"**Credit Derivatives Definitions**" means the 2014 ISDA Credit Derivatives Definitions as published by the ISDA.

"**Credit Observation End Date**" means the Scheduled Maturity Date, or such other date as may be specified in the Pricing Supplement.

"**Credit Position**" means, subject to the other provisions hereof, in respect of each Reference Entity, the principal amount outstanding of the Securities, **provided that** if further Securities are issued which form a single Series with the Securities, the Credit Position in respect of each Reference Entity will be increased *pro rata* to the aggregate principal amount of such further Securities and if Securities are repurchased and cancelled, the Credit Position in respect of each Reference Entity will be reduced *pro rata*.

"**Cut-off Date**" means in respect of (i) any date which is an Interest Payment Date, the third Business Day preceding such Interest Payment Date, and (ii) any other date, including the Scheduled Maturity Date, the third Business Day preceding such date.

"**Defaulted Credit**" means, on any day, each Reference Entity in respect of which an Event Determination Date has occurred (save for where the Reference Entity is a Reference Entity in respect of which an Event Determination Date relating only to an M(M)R Restructuring has occurred, in which case that Reference Entity shall, in relation to the Remaining Credit Position, be treated as a non-Defaulted Credit).

"**Deferral Notice**" means, with respect to a Reference Entity and any Specified Payment Date, an irrevocable notice from the Calculation Agent to the Issuer which may only be delivered after the Cut-off Date relating to such Specified Payment Date and on or prior to such Specified Payment Date and which states that in the opinion of the Calculation Agent:

- (a) a Credit Event has occurred or might occur in respect of such Reference Entity on or prior to the Specified Payment Extension Date relating to such Specified Payment Date and to the relevant Credit Event (in circumstances where no Event Determination Date has occurred with respect to such Credit Event on or prior to the Cut-off Date relating to such Specified Payment Date); or
- (b) a Potential Failure to Pay has occurred or might occur in respect of such Reference Entity on or prior to such Specified Payment Date; or
- (c) a Potential Repudiation/Moratorium has occurred or might occur on or prior to such Specified Payment Date; or
- (d) a Credit Event Resolution Request Date has occurred after the Cut-off Date.

A Deferral Notice is subject to the requirements regarding notices set forth in Section 1.38.

"**Final Cut-off Date**" means the Cut-off Date relating to the Credit Observation End Date.

"**Final Valuation Date**" means, in respect of a Defaulted Credit, the day on which the Final Price in respect of such Defaulted Credit is determined in respect of an Event Determination Date.

"**Hypothetical Credit Derivative Transaction**" means, in respect of a Reference Entity, a transaction that incorporates the Credit Derivatives Definitions and in respect of which:

- (a) the "Reference Entity" (as such term is used in the Credit Derivatives Definitions) is deemed to be such Reference Entity;
- (b) the "Scheduled Termination Date" (as such term is used in the Credit Derivatives Definitions) is deemed to be the same as the Credit Observation End Date in respect of the Securities;
- (c) the "Trade Date" (as such term is used in the Credit Derivatives Definitions) is deemed to be the same as the Trade Date for such Reference Entity;

- (d) the "Deliverable Obligation Category" (as such term is used in the Credit Derivatives Definitions) is the same as the Valuation Obligation Category relating to such Reference Entity with respect to the Securities;
- (e) the "Deliverable Obligation Characteristics" (as such term is used in the Credit Derivatives Definitions) are the same as the Valuation Obligation Characteristics relating to such Reference Entity with respect to the Securities; and
- (f) the provisions contained in the Credit Derivatives Physical Settlement Matrix applicable to the "Transaction Type" specified in the Securities in relation to the relevant Reference Entity are deemed applicable.

**"Hypothetical Triggered Credit Derivative Transaction"** means, in relation to a Credit Event in respect of the Securities, a transaction that incorporates the Credit Derivatives Definitions and in respect of which:

- (a) the "Reference Entity" (as such term is used in the Credit Derivatives Definitions) is deemed to be the entity that is the subject of the relevant Credit Event;
- (b) the "Scheduled Termination Date" (as such term is used in the Credit Derivatives Definitions) is deemed to be the same as the Credit Observation End Date in respect of the Securities;
- (c) an "Event Determination Date" (as such term is used in the Credit Derivatives Definitions) in relation to the relevant Credit Event is deemed to have occurred on the same date as the Event Determination Date applicable in respect of the Securities;
- (d) the "Deliverable Obligation Category" (as such term is used in the Credit Derivatives Definitions) is the same as the Valuation Obligation Category relating to such Reference Entity with respect to the Securities;
- (e) the "Deliverable Obligation Characteristics" (as such term is used in the Credit Derivatives Definitions) are the same as the Valuation Obligation Characteristics relating to such Reference Entity with respect to the Securities; and
- (f) the provisions contained in the Credit Derivatives Physical Settlement Matrix applicable to the "Transaction Type" specified in the Pricing Supplement in relation to the relevant Reference Entity are deemed applicable,

and the term "Credit Derivative Transaction" as used in the relevant Credit Derivatives Auction Settlement Terms shall be deemed to refer to the relevant Hypothetical Triggered Credit Derivative Transaction.

For purposes of ascertaining whether the Hypothetical Triggered Credit Derivative Transaction would be an Auction Covered Transaction, the Hypothetical Triggered Credit Derivative Transaction shall not be considered: (1) to be a transaction linked to any index or to a portfolio of entities, (2) to provide for a fixed recovery or final settlement amount, and (3) to provide that the Credit Derivatives Auction Settlement Terms would not apply.

In determining whether a Hypothetical Triggered Credit Derivative Transaction would be an Auction Covered Transaction, the Calculation Agent may (in its sole and absolute discretion) interpret the above provisions and resolve any ambiguity, having regard to market practice and interpretation.

**"Original Reference Entity"** means, in relation to one or more Successors, the Reference Entity which has been subject to the succession.

**"Specified Payment Date"** means each Interest Payment Date (if any) and the Scheduled Maturity Date.

**"Specified Payment Extension Date"** means, in respect of a Specified Payment Date, the latest of (a) the Specified Payment Date, (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable to the relevant Reference Entity in the Standard and (ii) the Credit Event that is the subject of the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the relevant Specified Payment Date, and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the relevant Specified Payment Date, and (c) the Repudiation/Moratorium

Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in Section 4.6(a)(ii) occurs after the relevant Specified Payment Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the relevant Specified Payment Date, and (iii) the Repudiation/Moratorium Extension Condition is satisfied (but with references in the definition of "Repudiation/Moratorium Extension Condition" to the Credit Observation End Date being construed as references to the relevant Specified Payment Date).

**"Specified Payment Notice Delivery Period"** means, in respect of a Specified Payment Date and a Reference Entity, the period from and including the Trade Date to and including the date that is fourteen calendar days after the related Specified Payment Extension Date.

**"Uncured Default"** means, with respect to a Reference Entity and any day falling on or prior to the Credit Observation End Date:

- (a) in respect of a Reference Entity for which Failure to Pay is applicable, (i) the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Failure to Pay has occurred with respect to an Obligation of the relevant Reference Entity on or prior to such day or (ii) the Calculation Agent determines that an event that constitutes a Potential Failure to Pay has occurred on or prior to such day, **provided that** such determination is not contrary to any determination of a Credit Derivatives Determinations Committee; or
- (b) (i) the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity on or prior to such day or (ii) the Calculation Agent has delivered a Repudiation/Moratorium Extension Notice in respect of a Potential Repudiation/Moratorium which occurred on or prior to such day, **provided that** such notice is not contrary to any determination of a Credit Derivatives Determinations Committee,

and (x) no Event Determination Date as a result of a related Failure to Pay (in the case of a Potential Failure to Pay) or a related Repudiation/Moratorium (in the case of a Potential Repudiation/Moratorium) has occurred as at the time the relevant determination of whether an Uncured Default exists is being made and (y) the Calculation Agent determines that a related Failure to Pay (in the case of a Potential Failure to Pay) or a related Repudiation/Moratorium (in the case of a Potential Repudiation/Moratorium) might occur. Notwithstanding the above, where the above conditions are satisfied on any date and the relevant Reference Entity is, as a result, treated as being subject to an Uncured Default under the terms of the Securities and this leads to a reduction in payments due on a particular date, any subsequent announcement of the DC Secretary, that would cause such conditions to be deemed not satisfied, shall not invalidate the determination of there being an Uncured Default in respect of the relevant Specified Payment Date and such reduction.

## **Section 15.2. General.**

Certain determinations made by the Calculation Agent hereunder relate to the applicability of certain ISDA or ISDA committee determinations, announcements, resolutions or other actions (each an **"ISDA Determination"**) to the Securities. Unless otherwise expressly stated herein, any dates and timings hereunder that are determined on the basis of the relevant dates and timings of any applicable ISDA Determination shall not be affected by any delay in the determination by the Calculation Agent that such ISDA Determination is applicable, but shall be determined on the basis of the relevant dates and timings of such applicable ISDA Determination without regard to any such delay. Unless the context otherwise requires, any capitalised term that is used and defined herein that is also defined for purposes of an applicable ISDA Determination shall, where used in connection with such ISDA Determination, have the meaning given to such term for purposes of such ISDA Determination but shall also relate to the corresponding term as defined herein.

All calculations and determinations made by the Calculation Agent in relation to the Securities shall (save in the case of manifest error at the time the relevant determination is made) be final and binding on the Issuer, the Agents and the Holders.

In selecting any Valuation Obligations hereunder, the Calculation Agent is under no obligation to the Holders or any other person and, **provided that** the obligation selected meets the criteria in the definition of "Valuation Obligation", is entitled, and indeed will endeavour, to select obligations with the lowest price of any obligations which meet such criteria, but will not be liable to any person if a lower price is obtained as a result of that selection than would have been obtained if a different selection had been made, or for any other consequence of the relevant selection. In making any selection, the Calculation Agent will not be liable to account to the Holders or any other person for any profit or other benefit to it or any of its Affiliates which may result directly or indirectly from any such selection.

The Calculation Agent shall not be liable to any person for any delay in or failure to deliver any notices hereunder (including, without limitation, any Credit Event Notice) or for any differences in the timing of any notices delivered hereunder from that under any other transactions in respect of which the Calculation Agent or its Affiliates perform a similar role or are counterparties thereto. It is explicitly acknowledged (and shall be taken into account in any determination of whether it has been grossly negligent) that the Calculation Agent will also be performing calculations and other functions with respect to transactions other than the Securities and that it may make the calculations required hereunder and other calculations and other functions required by such other transactions in such order as seems appropriate to it and shall not be liable for the order in which it elects to perform calculations or other functions or for any delay caused by electing to perform calculations and other functions for such other transactions prior to those required hereunder.

The rights and obligations of the Issuer and the Holders under the Securities are irrespective of the existence or amount of the Issuer's or the Holders' credit exposure to a Reference Entity and no party need suffer any loss or provide evidence of any loss as a result of the occurrence of a Credit Event.

When determining the existence or occurrence of any Potential Failure to Pay, Potential Repudiation/Moratorium or any Credit Event, the Calculation Agent shall make such determination based on the occurrence of an event whether or not the occurrence of the relevant event arises directly or indirectly from or is subject to a defence based upon (a) any lack or alleged lack of authority or capacity of the relevant Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of or any change in any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority.

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

## ANNEX B

### CREDIT DERIVATIVES DETERMINATIONS COMMITTEES

In making certain determinations with respect to the Securities, the Calculation Agent shall be obliged to follow the DC Resolutions of the Credit Derivatives Determinations Committees. This Annex sets forth a summary of the Credit Derivatives Determinations Committees Rules, as published on behalf of ISDA by the DC Secretary on its website at <https://www.cdsdeterminationscommittees.org> (or any successor website thereto) as of 28 September 2018 (the "**Rules**") and is subject to the rules as published by the DC Secretary on behalf of ISDA from time to time and as amended from time to time in accordance with the terms thereof. This summary is not intended to be exhaustive and prospective investors should also read the Credit Derivatives Determinations Committees Rules, as published by the DC Secretary on behalf of ISDA as of the Issue Date, and reach their own views prior to making any investment decisions. A copy of the Rules published by the DC Secretary on behalf of ISDA as of 28 September 2018 may be inspected at the offices of the Issuer and is available at: <https://www.cdsdeterminationscommittees.org> (or any successor website)

Capitalized terms used but not defined in this summary have the meaning specified in this Pricing Supplement or the Rules, as applicable.

#### Establishment of the Credit Derivatives Determinations Committees

In accordance with the Rules, a Credit Derivatives Determinations Committee has been formed for each of the regions of (a) the Americas, (b) Asia Ex-Japan, (c) Australia-New Zealand, (d) Europe, Middle East and Africa and (e) Japan. As of the Issue Date, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees. See "*Risk Factors - Potential conflicts of interest due to the involvement of the Calculation Agent with the Credit Derivatives Determinations Committees*" for additional information regarding conflicts of interest. The Credit Derivatives Determinations Committees will act in accordance with the Rules and will make determinations that are relevant for Credit Derivative Transactions that incorporate, or are deemed to incorporate, the 2014 ISDA Credit Derivatives Definitions (the "**2014 Definitions**") or the 2003 ISDA Credit Derivatives Definitions, as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March 2009) or the 2003 ISDA Credit Derivatives Definitions, as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as published by ISDA on 14 July 2009 (the "**Updated 2003 Definitions**"). DC Administration Services, Inc. will serve as the secretary of each Credit Derivatives Determinations Committee and will perform administrative duties and make certain determinations as provided for under the Rules.

#### Decision-making Process of the Credit Derivatives Determinations Committees

Each DC Resolution by a Credit Derivatives Determinations Committee will apply to Credit Derivative Transactions that incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions (depending on the applicable "Coverage Election" and subsequent determinations of the Credit Derivatives Determinations Committee) and for which the relevant provisions are not materially inconsistent with the provisions with respect to which the Credit Derivatives Determinations Committee bases its determination. As a result, determinations by the Credit Derivatives Determinations Committees are not otherwise applicable to the Holders. Furthermore, the institutions on the Credit Derivatives Determinations Committees owe no duty to the Holders. Under the terms of the Securities, certain determinations by the Credit Derivatives Determinations Committees will be binding on the Holders. The Credit Derivatives Determinations Committees shall have no ability to amend the terms of the Securities. The Credit Derivatives Determinations Committees will be able to make determinations without action or knowledge by the Holders.

A Credit Derivatives Determinations Committee will be convened upon referral of (i) a question to the DC Secretary by an identified eligible market participant and the agreement of at least one of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question, or (ii) a question to the DC Secretary by an unidentified eligible market participant and the agreement of at least two of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question, or (iii) a question to the DC Secretary by an eligible market participant which is an Eligible CCP

(being an eligible clearing entity) and such question is not designated as a "General Interest Question" and relates to an eligible cleared Reference Entity with respect to such Eligible CCP and to certain specified matters such as a Credit Event, Potential Repudiation/Moratorium and/or Successor. The DC Secretary will convene the Credit Derivatives Determinations Committee for the region to which the referred question relates, as determined in accordance with the Rules. Any party to a transaction that incorporates, or is deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions may refer a question to the DC Secretary for a Credit Derivatives Determinations Committee to consider. Therefore, a binding determination may be made with respect to the Securities without any action by the Holders. See "*Risk Factors – Holders (in their capacity as holders of the Securities) will not be able to refer questions to the Credit Derivatives Determinations Committees*" for additional information regarding the lack of Holder involvement in determinations made by the Credit Derivatives Determinations Committees.

Once a question is referred to a Credit Derivatives Determinations Committee, a DC Resolution may result quickly, as a binding vote usually must occur within two business days of the first meeting held with respect to such question unless the timeframe is extended by agreement of at least 80% of the voting members participating in a vote held in accordance with the Rules. In addition, voting members of the Credit Derivatives Determinations Committees are required to participate in each binding vote, subject only to limited abstention rights. Notices of questions referred to the Credit Derivatives Determinations Committees, meetings held to deliberate such questions, meeting statements and the results of binding votes will be published on the DC Secretary's website and neither the Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the Holders of such information (other than as expressly provided in this Pricing Supplement). Holders shall therefore be responsible for obtaining such information. See "*Risk Factors - Holders shall be responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committees*" for additional information.

The Credit Derivatives Determinations Committees have the ability to make determinations that may materially affect the Holders. The Credit Derivatives Determinations Committees will be able to make a broad range of determinations in accordance with the Rules that may be relevant to the Securities and materially affect the Holders. For each of the general types of questions discussed below, the Credit Derivatives Determinations Committees may determine component questions that arise under the 2014 Definitions or the Updated 2003 Definitions, or the Rules and that are related to the initial question referred. Since the terms governing the credit-linked elements of the Securities are substantially similar to the 2014 Definitions or, as the case may be, the Updated 2003 Definitions, such determinations may affect the Holders, as further described below.

### **Credit Events**

The Credit Derivatives Determinations Committees will be able to determine whether a Credit Event has occurred and the date of such Credit Event. Related questions that are also within the scope of the Credit Derivatives Determinations Committees are whether the Repudiation/Moratorium Extension Condition is satisfied or whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred. In addition, the Credit Derivatives Determinations Committees will also determine, where necessary, whether the required Publicly Available Information has been provided. Each of these determinations, other than whether the required Publicly Available Information has been provided, requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below. The determination of whether the required Publicly Available Information has been provided requires the agreement of at least a majority of the voting members participating in a binding vote held in accordance with the Rules and is not eligible for external review. Each of these determinations may affect whether the Calculation Agent is entitled to deliver a Credit Event Notice and therefore whether an Event Determination Date will occur under the Securities. To the extent that the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred with respect to one of the Reference Entity(ies) on or after the Credit Event Backstop Date, the Calculation Agent shall deliver a Credit Event Notice in respect of the Securities. Notwithstanding the scope of the Credit Derivatives Determinations Committees, the Calculation Agent may still declare a Credit Event and deliver a Credit Event Notice even if a Credit Derivatives Determinations Committee has not Resolved that a Credit Event has occurred, **provided that** a Credit Derivatives Determinations Committee has not Resolved that a Credit Event has not occurred.

## Successors

The Credit Derivatives Determinations Committees will be able to determine whether there are any Successor or Successors to a Reference Entity and the relevant Succession Date. In addition, the Credit Derivatives Determinations Committees will also determine the identity of the Successor(s) in accordance with the Rules. For a Reference Entity that is not a Sovereign, the Credit Derivatives Determinations Committees will determine the Relevant Obligation(s) of the Reference Entity (including any adjustments required to be made if there is a Steps Plan), the proportion of the Relevant Obligation(s) to which each purported Successor succeeds and the Succession Date. For a Reference Entity that is a Sovereign, the Credit Derivatives Determinations Committees will determine the Relevant Obligation(s) of the Reference Entity (including any adjustments to be made if there is a Steps Plan), whether a Sovereign Succession Event has occurred, if so the proportion of the Relevant Obligation(s) to which each purported Successor succeeds, and the Succession Date. Each of these determinations requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below, except for the actual identification of the Successor(s) for a Reference Entity (which only requires a majority and is not eligible for external review). The Calculation Agent may use the relevant DC Resolutions of the Credit Derivatives Determinations Committees in order to determine Successor(s) to the Reference Entity(ies).

## Other Questions

The Credit Derivatives Determinations Committees will be able to determine whether circumstances have occurred that require a Substitute Reference Obligation to be identified and, if so, the appropriate Substitute Reference Obligation. In addition, the Credit Derivatives Determinations Committees will be able to determine whether an entity that acts as seller of protection under one or more transactions (such entity, the "**Relevant Seller**") or a Reference Entity has consolidated or amalgamated with, or merged into, or transferred all or substantially all its assets to, the Reference Entity or the Relevant Seller, as applicable, or that the Relevant Seller and the Affected Reference Entity have become Affiliates. Each of these determinations requires the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules in order to avoid the referral of the question to the external review process, as described further below. The Calculation Agent may follow such DC Resolutions in making the equivalent determinations with respect to the Securities.

The Credit Derivatives Determinations Committees will be able to determine other referred questions that are relevant to the credit derivatives market as a whole and are not merely a matter of bilateral dispute. Such questions require the agreement of at least 80% of the voting members participating in a binding vote held in accordance with the Rules for each Credit Derivatives Determinations Committee implicated by the relevant question, as determined in accordance with the Rules, in order to avoid the possible referral of the question to the external review process, as described further below. Furthermore, the question relating to such DC Resolution may also be referred to the external review process if at least a majority of the voting members participating in a binding vote held in accordance with the Rules agree. Any guidance given by the Credit Derivatives Determinations Committees with respect to questions of interpretation of the 2014 Definitions or, as the case may be, the Updated 2003 Definitions are likely to influence the Calculation Agent in interpreting equivalent provisions under the Notes.

Any such question can be submitted to the Credit Derivatives Determinations Committees by an unidentified eligible market participant for deliberation. The relevant Credit Derivatives Determinations Committee(s) will deliberate such question upon the agreement of at least two of the voting members of the relevant Credit Derivatives Determinations Committee to deliberate the question. Once the deliberations on such question have commenced, the relevant Credit Derivatives Determinations Committee will proceed in accordance with the procedures described above with respect to the relevant question category, except that the identity of the eligible market participant who submitted the question will not be revealed to the members of the Credit Derivatives Determinations Committees or the general public.

## External Review

As described immediately above, certain questions deliberated by the Credit Derivatives Determinations Committees are subject to an external review process if the required threshold is not met during the binding vote held with respect to such question. For such questions, if at least 80% of the voting members participating in a binding vote held in accordance with the Rules fail to agree, the question will be automatically referred to the external review process. Questions that are not eligible for external review

often require only a simple majority of participating voting members to agree in order to reach a DC Resolution.

Questions referred to external review will be considered by a panel of three independent individuals who will be selected by either the relevant Credit Derivatives Determinations Committee or by the DC Secretary at random. The default duration of the external review process (which can be modified by the relevant Credit Derivatives Determinations Committee in accordance with the Rules) is twelve business days from the referral of the question and contemplates the receipt of both written submissions and oral argument. Any member of ISDA via the DC Secretary may provide written submissions to the external reviewers, which will be made available to the public on the DC Secretary's website, and the conclusion reached in accordance with the external review process will be binding on the Holders. In instances where the vote of the relevant Credit Derivatives Determinations Committee was less than or equal to 60%, the decision of a majority of the external reviewers will be determinative. However, in instances where the vote of the relevant Credit Derivatives Determinations Committee was between 60% and 80%, all three external reviewers must agree in order to overturn the vote of the Credit Derivatives Determinations Committee.

Holders should be aware that the external reviewers may not consider new information that was not available to the relevant Credit Derivatives Determinations Committee at the time of the binding vote and questions may be returned to the Credit Derivatives Determinations Committee for another vote if new information becomes available. In addition, if the external reviewers fail to arrive at a decision for any reason, the entire process will be repeated. As a result, the external review process may be elongated in certain situations, leaving questions that may materially affect the Holders unresolved for a period of time.

#### **The Composition of the Credit Derivatives Determinations Committees**

Each Credit Derivatives Determinations Committee is composed of fifteen voting members and three non-voting consultative members. Ten of the voting members are dealer institutions, with eight serving across all regions and two potentially varying by region. The other five voting members are non-dealer institutions that serve across all regions. The three non-voting consultative members consist of one dealer institution and one non-dealer institution that serve across all regions and one dealer institution that could potentially vary by region. For the first composition of the Credit Derivatives Determinations Committees only, an additional non-voting dealer institution has been selected to serve across all regions.

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

#### **Ability of the Calculation Agent or its Affiliates to influence the Credit Derivatives Determinations Committees**

As of the Issue Date, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees. In such capacity, it may take certain actions that may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees, including (without limitation): (a) agreeing to deliberate a question referred to the DC Secretary, (b) voting on the resolution of any question being deliberated by a Credit Derivatives Determinations Committee and (c) advocating a certain position during the external review process. In addition, as a party to transactions which incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions, the Calculation Agent may refer a question to the DC Secretary for a Credit Derivatives Determinations Committee to deliberate. In deciding whether to take any such action, the Calculation Agent (or its Affiliate) shall be under no obligation to consider the interests of any Holder. See "*Potential conflicts of interest of the Calculation Agent*" below for additional information.

### **Potential Conflicts of interest of the Calculation Agent**

Since, as of the Issue Date, the Calculation Agent (or one of its Affiliates) is a voting member on each of the Credit Derivatives Determinations Committees and is a party to transactions which incorporate, or are deemed to incorporate, the 2014 Definitions or the Updated 2003 Definitions, it may take certain actions which may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees. See "*Ability of the Calculation Agent or its Affiliates to influence the Credit Derivatives Determinations Committees*" above for additional information. Such action may be adverse to the interests of the Holders and may result in an economic benefit accruing to the Calculation Agent. In taking any action relating to the Credit Derivatives Determinations Committees or performing any duty under the Rules, the Calculation Agent shall have no obligation to consider the interests of the Holders and may ignore any conflict of interest arising due to its responsibilities under the Securities.

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

Holders should also be aware that institutions serving on the Credit Derivatives Determinations Committees have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committees are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts.

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

### **Amendments to the Rules**

The Rules may be amended from time to time without the consent or input of the Holders and the powers of the Credit Derivatives Determinations Committees may be expanded or modified as a result.

## ANNEX C

The Offering Circular dated 25 April 2018 has been supplemented by the following Supplement(s):

<b>Supplement(s)</b>	<b>Description</b>	<b>Date</b>
Supplement No. 1	In respect of (i) the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 31 March 2018 and (ii) amendments and supplemental information to the Offering Circular	11 May 2018
Supplement No. 2	In respect of (i) Current Report on Form 8-K of JPMorgan Chase & Co. dated 13 July 2018, containing the earnings press release of JPMorgan Chase & Co. for the quarter ended 30 June 2018 and (ii) amendments and supplemental information to the section entitled " <i>JPMorgan Chase Bank, N.A.</i> "	27 July 2018
Supplement No. 3	In respect of (i) the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 30 June 2018, (ii) the unaudited interim financial statements of JPMorgan Chase Bank, N.A. for the six months ended 30 June 2018 and (iii) amendments and supplemental information to the Offering Circular	14 August 2018
Supplement No. 4	In respect of (i) the unaudited interim financial statements of J.P. Morgan Structured Products B.V. for the six months ended 30 June 2018 and (ii) amendments and supplemental information to the Offering Circular	27 September 2018
Supplement No. 5	In respect of the Current Report on Form 8-K of JPMorgan Chase & Co. dated 12 October 2018, containing the earnings press release of JPMorgan Chase & Co. for the quarter ended 30 September 2018	26 October 2018
Supplement No. 6	In respect of (i) the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 30 September 2018 and (ii) amendments and supplemental information to the Offering Circular	9 November 2018

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