

Securities Note

**STANDARD CHARTERED BANK,
acting through its Singapore Branch**

Issue of Series No. 12121

Issue of INR 50,000,000 Dual Currency Total Return Credit Linked Notes due 2024

Pursuant to the U.S.\$15,000,000,000 Notes, Certificates and Warrants Programme

The Prospectus

This Securities Note is a securities note pursuant to Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) ("**Prospectus Directive**").

This Securities Note, together with the registration document dated 30 June, 2015 (the "**Registration Document**") as supplemented by a supplement to the Registration Document dated 13 August, 2015 (the "**Registration Document Supplement**") which together set out information in relation to Standard Chartered Bank, acting through its Singapore Branch (the "**Issuer**") in connection with its U.S.\$15,000,000,000 Notes, Certificates and Warrants Programme (formerly known as its U.S.\$10,000,000,000 Structured Product Programme), (the "**Programme**"), constitutes the prospectus (the "**Prospectus**") in respect of the issue by the Issuer of its Series No. 12121 INR 50,000,000 Dual Currency Total Return Credit Linked Notes due 2024 (the "**Notes**") for the purposes of Article 5.3 of the Prospectus Directive.

The Prospectus should be read in conjunction with the base prospectus dated 2 July, 2015 (the "**Base Prospectus**") relating to the issue by the Issuer of notes under the Programme and which is incorporated herein by reference (see "*Documents Incorporated by Reference*" herein). This Securities Note shall be read and construed on the basis that such documents are incorporated and form part of this Securities Note.

Authorisation

The issue of the Notes was authorised by (i) a resolution of the Court of Directors of the Issuer dated 9 November, 2001 and (ii) resolutions of a duly appointed Committee of the Court of Directors of the Issuer dated 14 December, 2001, 25 November, 2002, 5 May, 2004, 18 December, 2006, 20 May, 2009, 28 July, 2010, 16 September, 2011, 25 June, 2012, 5 July, 2013 and 25 June, 2014.

Listing

This Securities Note has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves the Securities Note as meeting the requirements imposed under Irish and European ("**EU**") law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area.

Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes to be admitted to the Official List and to trading on its regulated market (the "**Main Securities Market**"). References in the Prospectus to the Notes being "listed" (and all related references) on the Irish Stock Exchange shall mean that the Notes have been admitted to the Official List and to trading

on its Main Securities Market. The Main Securities Market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC (the “**Markets in Financial Instruments Directive**”). Terms defined in the Base Prospectus have the same meaning in this Securities Note.

Taxes

The Issuer shall not be liable to any Noteholder for or otherwise be obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, redemption, or enforcement of any Note by any person and all payments made by the Issuer in respect of any Notes shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The Issuer shall not be obliged to gross up or otherwise increase any such payments on the Notes.

Risk Factors

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. The Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer in that regard. See “*Risk Factors*” below, in the Base Prospectus and the Registration Document.

Ratings

As at the date of this Securities Note,

the Issuer’s long term senior debt ratings are:

Aa2 by Moody’s Investors Service Hong Kong Limited (“**Moody’s**”);

A+ by Standard & Poor’s Hong Kong Limited (“**S&P**”); and

AA- by Fitch (Hong Kong) Limited (“**Fitch**”).

Moody’s is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). Moody’s is affiliated to Moody’s Investors Service Ltd which is established in the European Union and is registered under the CRA Regulation. In accordance with the CRA Regulation, Moody’s Investors Service Ltd may endorse credit ratings issued by Moody’s. S&P is not established in the European Union and has not applied for registration under the CRA Regulation. Fitch is affiliated to Fitch Ratings Limited established in the European Union and is registered under the CRA Regulation.

The offering and sale of the Notes and on the distribution of documents relating thereto is restricted

Restrictions have been imposed on offers and sales of the Notes and on the distribution of documents relating thereto in the United States of America and the European Economic Area (including the United Kingdom). The distribution of this document and offers and sales of the Notes in certain other jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. See

“Subscription and Sale and Transfer and Selling Restrictions” set out on pages 612-651 of the Base Prospectus.

Discretionary determinations by the Issuer and Calculation Agent

During the life of the Notes, certain events may occur which are outside the control of the Issuer and Calculation Agent. Under the Terms and Conditions of the Notes, if such an event occurs, the Issuer or Calculation Agent (as applicable) may determine, in their discretion, to take one or more actions available to them in order to deal with the impact of such event on the Notes or, as the case may be, on the Issuer or both. Such actions may have an adverse impact on the value of the Notes. Further information is set out in the *“Overview of the Programme”* on pages 81-93 of the Base Prospectus.

Post-Issuance Information

The Issuer does not intend to provide any post-issuance information, unless required by applicable laws and regulations.

30 October, 2015

Responsibility for Information contained in this Securities Note

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

Any information contained herein relating to the Republic of India, the Reference Assets and the INR/USD spot rate consists of extracts from, or summaries of, information set out in the documentation of the Reference Assets and/or, as applicable, internationally recognised published or electronically displayed sources, for example Bloomberg. The Issuer accepts responsibility for accurately reproducing such extracts or summaries and, as far as the Issuer is aware and is able to ascertain from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. No information in such websites should be deemed to be incorporated in, or form a part of, this Securities Note and the Issuer does not take responsibility for the information contained in such websites. This paragraph should be read in conjunction with the immediately preceding paragraph.

No authorisation to give any information or make any representation not contained in or not consistent with this Securities Note

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

No investment recommendation

Neither the delivery of this Securities Note, the Registration Document, the Registration Document Supplement nor any other information supplied in connection with any such document nor the offering, sale or delivery of the Notes shall, in any circumstances, create any implication that the information contained in the Prospectus or rendered in connection therewith is true, accurate and complete subsequent to the date hereof or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or that any other information supplied in connection with the Prospectus is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Securities have not and will not be registered under the Securities Act

The Notes and any Deliverable Obligations delivered to holders on any redemption by physical delivery of the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") nor any U.S. state securities laws, nor may the Notes be offered, sold or delivered in the United States or to, or for the benefit of (a) "U.S. persons" (as defined in Regulation S under the Securities Act) (b) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the Commodity Futures Trading Commission (the "CFTC") pursuant to the Commodity Exchange Act (as defined below) or (c) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, in each case, as such definition may be amended, modified or supplemented from time to time (such persons, "U.S. persons"), unless (i) an exemption from the United States Commodity Exchange Act of 1936, as amended (the "Commodity Exchange Act") is available or (ii) an exemption from the registration requirements of the Securities Act and applicable state securities laws is available.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States

The Notes and any Deliverable Obligations delivered to holders on any redemption by physical delivery of the Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States. The Notes do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the United States Commodity Exchange Act and trading in the Notes has not been approved by the CFTC under the Commodity Exchange Act. Furthermore, neither the sale of nor trading in the Notes has been approved by the CFTC under the Commodity Exchange Act and no U.S. person may at any time purchase, trade or maintain a position in the Notes.

No offer to sell or solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction

The Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of the Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer does not represent that the Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither the Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession the Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of the Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of the Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), Hong Kong, Japan, Singapore, Malaysia, Korea, the United Arab Emirates, Dubai International Financial Centre, Indonesia, Switzerland, South Africa, Jersey, Guernsey, Kingdom of Saudi Arabia, Kingdom of Bahrain, State of Qatar and the Philippines (see “*Subscription and Sale and Transfer and Selling Restrictions*” set out on pages 612-651 of the Base Prospectus).

Neither the Prospectus nor any other information supplied in connection with the Programme or the Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of the Prospectus or any other information supplied in connection with the Programme or the Notes should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither the Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase the Notes.

Currency

All references in this document to “INR” refer to India Rupee, and “USD”, “U.S. dollars”, “U.S.\$” and “\$” refer to United States dollars.

Language

The language of this Securities Note is English. Certain legislative and technical terms have been included in their original language in order that the correct technical meaning may be ascribed under applicable law.

KINGDOM OF SAUDI ARABIA NOTICE

The Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the “Capital Market Authority”). The Capital Market Authority does not make any representations as to the accuracy or completeness of the Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the Prospectus. Prospective purchasers of Notes should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of the Prospectus he or she should consult an authorised financial adviser.

NOTICE TO BAHRAIN RESIDENTS

Securities issued under the Programme are issued by Standard Chartered Bank incorporated in England & Wales and Standard Chartered Bank (Hong Kong) Limited incorporated in Hong Kong and are only marketed to their existing account holders and accredited investors (as defined by the Central Bank of Bahrain) in the Kingdom of Bahrain. They will not be subject to the Article 81 of CBB law.

Any offer of Notes does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). The offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain (“CBB”). Accordingly, no Notes may be offered, sold or made the subject of an invitation for subscription or purchase nor will this prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Notes, whether directly or indirectly, to persons in the Kingdom of Bahrain.

The CBB has not reviewed or approved the offering documents and it has not in any way considered the merits of the Notes to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document.

For investors in the Kingdom of Bahrain, securities issued under the Programme may only be offered in registered form to the relevant existing account holders and accredited investors (identified in the first paragraph of this Notice) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000. The Notes are in registered form.

The Directors of the Issuer, whose names appear in the Registration Document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omissions likely to affect the importance and completeness of the document.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

The Prospectus does not and is not intended to constitute an offer, sale or delivery of bonds or other debt financing instruments under the laws of the State of Qatar and has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority, the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority. The Notes are not and will not be traded on the Qatar Exchange.

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RISK FACTORS

The risk factors set out below should be read in addition to the risk factors set out on in the Registration Document, as supplemented by the Registration Document Supplement, and which may affect the Issuer's ability to fulfil its obligations under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described in the Registration Document, as supplemented, and below represent the principal risks inherent in investing in the Notes but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in the Prospectus and reach their own views prior to making any investment decision.

Terms and expressions defined in the Terms and Conditions of the Notes below shall, save where the context otherwise requires have the same meaning when used in this section.

There is no active trading market for the Notes

The Notes may not be widely distributed and there may be currently no active trading market. If the Notes are traded, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its Main Securities Market, there is no assurance that an active trading market will develop and, accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Notes.

Further, compliance with Directive 2004/109/EC may be unduly burdensome for the Issuer and could result in the Issuer electing to terminate the listing of Notes.

Modification, waivers and substitution

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

The General Terms and Conditions of the Notes also provide that the Issuer and the Registrar may agree, without the consent of Noteholders to any modification of Notes or the Notes Agency Agreement provided that such modification (i) does not adversely affect the interests of the holders in any material respect or (ii) is of a formal, minor or technical nature or is made to correct a manifest or proven error or to cure, correct or supplement any defective provision or to comply with mandatory provisions of the law.

Creditworthiness of the Issuer

The Notes constitute direct and unsecured obligations of the Issuer. The obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future. The Noteholders will be exposed to the general credit risk of the Issuer, including the risk that the Issuer becomes insolvent or defaults on its obligations (including payment obligations) under the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest (or similar income) paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or to certain limited types of entities established in another Member State.

On 24 March, 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January, 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on Notes. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January, 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

Change of law

The terms and conditions of the Notes are based on English law in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the Issue Date.

Current Market

Investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Securities Note), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer and the Group. The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes at that time.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the currency in which such potential investor's principal financial activities are principally denominated;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant securities, assets, indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. In addition, certain jurisdictions may impose restrictions on investments in Notes but there is no guarantee that the Notes will satisfy any relevant investment criteria or would be considered by the relevant regulator as qualifying for any particular investment purpose. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Suitability of Investment

The Prospectus identifies in a general way some of the information that a prospective investor should consider prior to making an investment in any Notes. However, it does not purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in Notes. Therefore, a prospective investor should conduct its own thorough analysis (including its own financial, accounting, legal and tax analysis) prior to deciding whether to invest in Notes. Any evaluation of whether an investment in Notes is suitable depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Notes. The Prospectus is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its financial investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility. If a prospective investor does not have experience in financial, legal, business and investment matters sufficient to permit it to make such a determination, the prospective investor should consult with its financial, tax, legal and/or accounting advisers prior to deciding to make an investment in the Notes.

Exchange rate risks and exchange controls

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

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

Effect of Credit Rating Reduction

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

Credit ratings may not reflect all risks

Credit ratings assigned to the outstanding securities of the Issuer may not reflect the potential impact of all risks related to structure, market, additional factors discussed herein, and other factors that may affect the value of the Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be reduced, withdrawn or qualified by its assigning rating agency at any time. Additionally, global financial sector regulation is undergoing significant change. In the U.S., the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Financial Reform Act**"), among other things, expands regulatory oversight of the credit rating agencies. It is not clear how this expanded regulatory oversight will impact the ratings of the Issuer.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Risks related to Implementation of Regulatory Reform

Implementation of recently-enacted US federal financial reform legislation may affect the value of Reference Items (as defined below), which may ultimately affect the value, trading price and viability of Notes. For example, the Financial Reform Act would, upon implementation, impose limits on the maximum position that could be held by a single trader in certain of the Reference Items and may subject certain transactions to new forms of regulation that could create barriers to some types of hedging activity by the Issuer or any of its affiliates. Other provisions of the Financial Reform Act could require certain Reference Items or hedging transactions to be cleared, traded on a regulated exchange and reported to regulators, central data repositories and, in some cases, the public. The Financial Reform Act will also expand entity registration requirements and impose business conduct requirements on persons active in the swaps market (including new capital and margin requirements), which may affect the value of Reference Items or value and/or cost of hedging transactions. Such regulation may affect the value, trading price and viability of Notes. The implementation of the Financial Reform Act and future rulemaking thereunder could potentially limit or completely restrict the ability of an Issuer to hedge its exposure on Notes, increase the costs of hedging or make hedging strategies less effective. Moreover, the implementing rules and provisions of the Financial Reform Act did not all take effect immediately as relevant regulatory agencies continue to issue new rules and guidance, implement regulations, and/or instruct the relevant regulatory agencies to examine specific issues before taking any action. There have been delays to implementation of the Financial Reform Act, and the Issuer therefore continues to monitor and assess the impact of the reforms as and when further detail and timing is known. As a result, the full spectrum of risks that the Financial Reform Act may pose is not yet known. However, such risks could be material and the value of Reference Items could be materially and adversely affected by them.

Foreign Account Tax Compliance Act (FATCA) withholding may affect payments on the Notes

Whilst the Notes are held within the clearing systems Euroclear or Clearstream, Luxembourg (together, the “**ICSDs**”), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by section 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or

other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary for the ICSDs (as registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries

Principal at risk

The principal amount of the Noteholder's investment in the Notes is not assured and the Noteholder may receive less than the amount it had invested. Accordingly, the Noteholder may lose some or all of its initial investment in the Notes.

No gross up of payments by the Issuer

The Issuer is not obliged to gross up or otherwise increase any payment made in respect of any Notes where such payment is subject to any tax, duty, deduction, withholding or other payment which may arise as a result of the ownership, transfer, presentation of and surrender for payment or enforcement of any Notes. Therefore, should any such tax, duty, deduction, withholding or other payment be or become applicable to any such payment by the Issuer in respect of any Notes, then the actual amount received by the Noteholder may be less than it would have been in the absence of such tax, duty, deduction, withholding or other payment and the Noteholder may not be able to recover any amount or credit in respect of such tax, duty, deduction, withholding or other payment.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Notes may be represented by one or more Global Notes (as defined herein) that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Early Redemption

At maturity, the Notes will redeem at the Final Redemption Amount (as described below) if the Notes are held to maturity unless the Notes are redeemed earlier either due to any Force Majeure Event, Credit Event (as described below), Tax Event (as defined in the Conditions) or due to an Event of Default (as defined in the Terms and Conditions of the Notes).

Prior to maturity, the value of the Notes is based on various market factors such as the level of the underlying, interest rates, volatility and time remaining until maturity. If the Notes are redeemed early in accordance with their terms or with the Issuer's consent on mutually agreed terms, any such terms may include deduction for any unwind and hedging costs, expenses and taxes incurred by the Issuer and the cost to the Noteholder for early redemption of the Notes or sale in the secondary market may be substantial and the Noteholder may receive less than the initial investment amount. No assurance is given that any such amount paid on early redemption or sale in the secondary market is greater than the amount an investor may receive if they held the Notes until the Scheduled Maturity Date.

Prospective investors who consider purchasing the Notes should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances.

Risks relating to Credit Linked Notes

The interest on and/or the principal of the Notes is determined by reference to the creditworthiness of, or the performance of obligations by, or some other factor relating to, another entity or entities not affiliated with the Issuer (each such entity, a "**Reference Entity**") The Reference Entity is the Republic of India.

Credit Linked Notes, such as the Notes, involve a high degree of risk not associated with ordinary bank deposits or conventional debt securities, which may include, among others, interest rate, foreign exchange, time value and political risks, and are generally not a suitable substitute for ordinary savings or time deposits in the deposit currency. Purchasers should be prepared to sustain a total loss of the purchase price of the Notes. This risk reflects the nature of such a Note as an asset which, other factors held constant, tends to decline in value over time and which may become worthless.

The amounts payable in respect of the Notes are dependent upon whether certain events ("**Credit Events**") have occurred in respect of the Reference Entity. If a Credit Event has occurred, the amount due is dependent on the value of certain specified assets of such Reference Entity/Entities and may be replaced by the Issuer's obligation to deliver certain specified assets.

The Issuer's obligations in respect of the Notes are irrespective of the existence or amount of the Issuer's and/or any Affiliates' credit exposure to a Reference Entity and the Issuer and/or any Affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

An Investment in Credit Linked Notes presents significant risks not associated with other types of securities

An investment in Credit Linked Notes such as the Notes presents certain significant risks not associated with conventional debt securities, the principal risk of conventional debt securities being that the Issuer will be unable to meet its obligations under such debt securities when due. The Notes may present a high level of risk, and a Noteholder may lose its entire investment if it purchases the Notes.

The treatment of Credit Linked Notes for tax purposes may be unclear due to the absence of any authority specifically addressing the issues presented by any particular Credit Linked Note. Accordingly, a Noteholder, or its tax adviser, should, in general, be capable of independently evaluating the tax consequences of purchasing a Credit Linked Note applicable in its particular circumstances.

Investors in the Notes could lose some or all their investment

Prospective investors in any such the Notes should be aware that (i) they may receive no or a limited amount of interest, (ii) the payment of the redemption amount or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

Market price of Credit Linked Notes may be influenced by many unpredictable factors

The market price of the Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date, prevailing credit spreads, currency exchange rates, interest rates, market indices and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions. Such factors may rise and fall rapidly.

A Reference Entity could take actions that may adversely affect a Credit Linked Note

A Reference Entity will have no involvement in the offer and sale of the Notes and no obligations to a Noteholder. Any Reference Entity may take actions, such as a merger or sale of assets, without regard to the interests of the holders of the Notes. Any of these actions could adversely affect the value of the Notes.

No Reference Entity is or was involved in the offering of the Notes in any way and has no obligation to consider the interest of a Noteholder in taking any corporate or other action that might affect the value of the Notes.

A holder of Credit Linked Notes has no rights with respect to the Reference Entity

As an owner of Credit Linked Notes, a Noteholder will not have voting rights or the right to receive dividends or other distributions or any other rights with respect to the Reference Entity.

Certain considerations regarding hedging

The Issuer and/or any of its affiliates or agents may from time to time hedge the Issuer's obligations under the Notes (and under other instruments and over-the-counter-derivative contracts issued by or entered into from time to time by the Issuer and/or any of its affiliates or agents) by taking positions, directly or indirectly, relating to the Reference Entity. Although the Issuer has no reason to believe that such hedging activities will have a material impact on the Notes, there can be no assurance that such hedging activities will not adversely affect the value of the Notes.

The Issuer may engage in hedging activities that could adversely affect the value of the Notes

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

Upon the redemption of Notes (other than on the Maturity Date), the Issuer may be required to unwind, terminate, liquidate, adjust, obtain, replace or re-establish such hedging or market-making activities, resulting in a gain to, or losses and costs incurred by, the Issuer and/or any of its affiliates.

In this event, on redemption of the Notes, any amount that would otherwise be received by the Noteholder in the case of cash settlement of the Notes on such early redemption will be increased to reflect any such gain or decreased to reflect any such loss or cost. Similarly, in the case of physical settlement of the Securities, the Noteholder may be required to make certain payments in respect of such losses and costs incurred by the Issuer as a condition of the delivery of any Asset Amount by the Issuer or, if so specified, the Issuer may reduce the amount of the relevant Asset Amount to reflect any such loss or cost or, as the case may be, the Noteholder may receive certain payments from the Issuer with the delivery of any Asset Amount by the Issuer in respect of such gain to the Issuer.

Holders of Credit Linked Notes have no right to any of the Issuer's hedging profits

The Issuer may engage in activities to hedge its exposure under the Notes. It may have profits or losses from these hedging activities. It is possible that it could achieve substantial profits from its hedging transactions while the value of the Notes may decline. Holders of a Note will have no right to any such profit.

Emerging Markets

The Notes relate to a Reference Entity incorporated in an emerging market country. Accordingly, investors should note that the risk of the occurrence and the severity of the consequences of the matters described herein may be greater than they would otherwise be in relation to more developed countries.

Potential conflicts of interest

The Issuer and/or any of its affiliates may have conflicts of interest with respect to the Notes. These entities may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in Notes or obligations of the Reference Entity or derivative instruments referencing the Reference Entity. These trading activities could adversely affect the value of Credit Linked Notes. The Issuer and/or any of its affiliates may also issue securities or derivative instruments that reference the same Reference Entity as the Notes. By introducing competing products into the marketplace in this manner, such entity could adversely affect the value of a Note.

The Issuer serves as calculation agent with respect to the Notes and has considerable discretion in performing the calculation or compilation. Exercising discretion in this manner could adversely affect the value of or the rate of return on the Notes.

The Issuer or any Specified Branch of the Issuer may, at the date hereof or at any time hereafter, be in possession of information in relation to a Reference Entity that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer or any Specified Branch to disclose to Noteholders any such information.

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

However, the Issuer has, and will take reasonable steps to, put in place and maintain internal policies and procedures in accordance with the applicable rules and regulations to minimise and manage such conflicts of interest.

Liquidity Risks

The Notes may not have an established trading market when issued. There can be no assurance of a secondary market for the Notes or the continued liquidity of such market if one develops. The secondary market for the Notes will be affected by a number of factors independent of the creditworthiness of the Issuer and/or the Reference Entity, which may include prevailing credit spreads and the economic, financial and political events in one or more jurisdictions. Such factors also will affect the market value of the Notes.

In addition, the Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities. Noteholders may not be able to sell the Notes readily or at prices that will enable Noteholders to realise their anticipated yield. No investor should purchase the Notes unless such investor understands and is able to bear the risk that the Notes may not be readily saleable, that the value of the Notes will fluctuate over time and that such fluctuations may be significant.

The Reference Assets may have no or limited liquidity and any secondary market for the Reference Assets will at all times be subject to prevailing market conditions. It is not possible to predict the price at which the Reference Assets would trade in any secondary market.

Force Majeure

Force Majeure Events include, *inter alia*, events, including legal and regulatory changes or illiquidity in the relevant foreign exchange or currency market(s), which make it impracticable, illegal or impossible to convert, remit abroad or determine a rate in respect of the relevant local or settlement currency relating to the Notes or for the Issuer to perform or to hedge effectively its obligations under the Notes.

If the Issuer determines that a Force Majeure Event has occurred, the Issuer may suspend and/or terminate the Notes and upon termination, if permitted by applicable law, pay the holder of each such Note an amount determined by the Issuer to be its fair market value (which may be nil) and which in certain circumstances may be made in the Local Currency notwithstanding such Force Majeure Event less the cost to the Issuer of unwinding any underlying related hedging arrangements. It is possible that suspension could continue after the Maturity Date until the Issuer exercises its right to terminate such Notes or until the date falling 10 days after such Force Majeure Event ceases to exist.

Hedge Disruption Event could affect physical settlement

If in the opinion of the Calculation Agent an event, as a result of which the Issuer and/or any of its affiliates has not received the relevant Deliverable Obligations (each a “**Hedge Disruption Obligation**”) under the terms of any hedging transactions in respect of the Physically Settled Notes (a “**Hedge Disruption Event**”), has occurred and is continuing on the second Business Day immediately preceding the Scheduled Physical Settlement Date, then the Physical Settlement Date will be postponed until the earlier of (1) the second Business Day following the date on which no Hedge Disruption Event exists and (ii) the day falling 60 Business Days following the Scheduled Physical Settlement Day. Such an event may have an adverse effect on the value of the relevant Notes. If all or a portion of the Deliverable Obligations included in the Asset Amount are Hedge Disruption Obligations that are not Delivered by the Physical Settlement Date, then the Issuer has 30 calendar days after the Physical Settlement Date to deliver such Deliverable Obligations, after which the Issuer may pay, in respect of each Hedge Disruption Obligation, the Cash Settlement Amount (adjusted to take account fully for any Hedging Costs in lieu of delivering the Asset Amount. Such an event may have an adverse effect on the value of the relevant Notes.

Physical settlement

The Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (b) assets which the Issuer and/or any affiliate and/or agent has not received under the terms of any transaction and/or trading position entered into by the Issuer and/or such affiliate and/or agent to hedge the Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and as a result, the amount payable on redemption. Prospective investors should review the Terms and Conditions of the Notes to ascertain whether and how such provisions should apply to the Notes.

Non-publicly available information

The Issuer or any of its affiliates may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Reference Entity that they may not disclose. Prospective investors must therefore make an investment decision based upon their own due diligence and purchase the Notes in the knowledge that non-public information which the Issuer or any of its respective affiliates may have will not be disclosed to investors. Neither the Issuer nor any of its respective affiliates is under any obligation (i) to review on the Noteholder's behalf, the business, financial conditions, prospects, creditworthiness, status or affairs of the Reference Entity or conduct any investigation or due diligence into the Reference Entity or (ii) other than as may be required by applicable rules and regulations relating to the Notes, to make available (a) any information relating to the Notes or (b) any non-public information they may possess in respect of the Reference Entity.

Country Risk

By seeking exposure to the Reference Entity and/or Reference Obligation(s) through an investment in the Notes, an investor may also be exposed to the market risks of the country or countries to which the Reference Entity and/or Reference Obligation is linked. Whilst the existing market condition and regulatory framework may be conducive for an investment linked to such a country or countries, such investments may be sensitive to any significant (i) changes in market conditions, political, social or economic policy, or (ii) changes in laws and regulations, in such a country or countries. No assurance is given that country's or countries' government's future control of currency conversion, free transfer of monies and securities, and movements in exchange rates may or may not affect the performance of, or returns under, the Notes.

Prospective investors who consider purchasing any Notes should reach an investment decision only after carefully considering the suitability of such Notes in light of their particular circumstances.

Credit default risk with respect to the Reference Entity in addition to credit default risk with respect to the Issuer

The payment of principal and interest, if any, on the Notes is contingent upon the Reference Entity's satisfaction of its present and future financial obligations and holders will be exposed to credit default risk with respect to the Reference Entity in addition to credit risk with respect to the Issuer.

If the Reference Entity experiences a Credit Event during the credit protection period, and the related Credit Event Notice is delivered or deemed delivered during the Notice Delivery Period, the Notes will be subject to mandatory redemption in accordance with the applicable Settlement Method or, if a Fallback Settlement Event occurs, the applicable Fallback Settlement Method.

The Credit Event that is the subject of the Credit Event Notice does not have to be continuing on the date of the Credit Event Notice or subsequently. Accordingly, holders of Credit Linked Notes are exposed to credit default risk with respect to the Reference Entity for Credit Events that may be cured or waived subsequent to their occurrence.

A Credit Event may occur even if the Issuer does not suffer loss

The Issuer's obligations in respect of the Notes are irrespective of the existence or the amount of such Issuer's or its affiliate's credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Verification of Credit Event

Prospective holders of Credit Linked Notes should note that in certain circumstances, there may be no requirement for the Issuer to give information which is generally publicly available in relation to the occurrence of a Credit Event. If a Credit Event occurs in respect of an Obligation of a Reference Entity which is not public, holders of the Credit Linked Notes may not be able to verify the occurrence of such Credit Event.

Interest

Upon the delivery of a Credit Event Notice with respect to a Credit Event by the Calculation Agent to the Issuer, interest will cease to accrue as of the Interest Payment Date immediately preceding the Credit Event Determination Date (or, if none, on the Interest Commencement Date).

Public Disclosure of Information by Reference Entities

No detailed information is herein provided with respect to the Reference Entity, any financial or other risks relating to the business or operations of the Reference Entity in general, or the debt obligations of the Reference Entity in particular. Neither the Issuer nor any of its affiliates assume any responsibility for the adequacy or accuracy of any information about the Reference Entity that is contained in any of the Reference Entity's publicly available filings. Investors in the Notes should make their own investigation and investment decision with regard to each Reference Entity.

Neither the Issuer nor the Calculation Agent will participate in the preparation of any public filings or other documentation of the Reference Entity or make any due diligence inquiry with respect to the Reference Entity. Neither the Issuer nor the Calculation Agent makes any representation that such publicly available information regarding any Reference Entity is accurate or complete. Furthermore, none of the Issuer, the Calculation Agent and any of their respective affiliates can give any assurance that all events occurring prior to the Issue Date (including events that would affect the accuracy or completeness of the publicly available documents described above) that would affect the creditworthiness of the Reference Entity (including the creditworthiness of the Reference Entity at the time the Notes were priced), or the trading price of the Notes, have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Reference Entity could affect its creditworthiness and thereby the trading prices of the Notes, the likelihood of a Credit Event under the Notes and the value of any Deliverable Obligations that holders will receive in lieu of the cash amounts payable.

Actions of Reference Entities

Actions of the Reference Entity (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of the Notes. The views of market participants and/or legal counsel may differ as to how the terms of market standard credit default swaps, and corresponding terms of the Notes, should be interpreted in the context of such actions, or such terms may operate in a manner contrary to the expectations of market participants and/or adversely to the interest of holders of the Notes. Holders of Notes should be aware that the Reference Entity to which the value of the Notes is exposed, and the terms of such exposure, may change over the term of the Notes.

Prospective investors who consider purchasing the Notes should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances.

ISDA Credit Derivatives Definitions

Whilst there are many similarities between the terms used in the Base Prospectus and this Securities Note (in particular, in the Credit Terms (2003 ISDA Credit Derivatives Definitions Version) and/or the Credit Terms (2014 ISDA Credit Derivatives Definitions Version)) and the terms used in the 2003 ISDA Credit Derivatives Definitions (published on 12 March, 2009) (the "**2003 ISDA Definitions**") (in the case of Credit Terms (2003 ISDA Credit Derivatives Definitions Version) and the 2014 ISDA Credit Derivatives Definitions (published on 21 February, 2014) (the "**2014 ISDA Definitions**") (in the case of Credit Terms (2014 ISDA Credit Derivatives Definitions Version)), there are many substantial differences and a prospective investor should understand that the complete terms and conditions of the Notes are as set out in this the Terms and Conditions below and that neither the 2003 ISDA Definitions nor the 2014 ISDA Definitions are incorporated by reference herein. Consequently, investing in Notes is not necessarily equivalent to investing in a credit default swap that incorporates either the 2003 ISDA Definitions or the 2014 ISDA Definitions.

While ISDA has published and, where appropriate, supplemented the 2003 ISDA Definitions and the 2014 ISDA Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the 2014 ISDA Definitions and the terms applied to credit derivatives generally, including the Notes are subject to further evolution. Past events have shown that the view of market participants may differ as to how either the 2003 ISDA Definitions or the 2014 ISDA Definition operate or should operate. As a result of the continued evolution of the market, the Notes may not conform to future market standards. Such a result may have a negative impact on the Notes and there can be no assurances that changes to the terms applicable to credit derivatives generally will be predicable or favourable to the Issuer or the Noteholders.

Differences between the 2003 ISDA Definitions and the 2014 ISDA Definitions

There are a number of important differences between the 2003 ISDA Definitions and the 2014 ISDA Definitions. In particular the 2014 ISDA Definitions have:

- (a) introduced a new Credit Event of "Governmental Intervention", which is intended to capture "bail-in" procedures to which financial institutions may be subject;
- (b) made certain amendments to the Restructuring Credit Event to provide for the possibility of a Euro exit;
- (c) reduced the number of "maturity buckets" applicable in circumstances where Mod Mod R is applicable and deleted the concept of the "Enabling Obligation" which was previously applicable to both Mod R and Mod Mod R;
- (d) introduced the concept of Asset Package Delivery in respect of certain Financial Reference Entities and Sovereigns. This provides that if Deliverable Obligations are exchanged into non-Deliverable assets or written-down in part or in full, in certain circumstances, the credit protection buyer will be able to deliver the resultant package of Assets or the written-down Deliverable Obligation to realise its protection;
- (e) split credit protection between senior and subordinated coverage in respect of a Governmental Intervention and Restructuring Credit Event for Financial Reference Entities, i.e. a Senior Transaction will only be triggered by a Restructuring or Governmental

Intervention of Senior Obligations and a Subordinated Transaction will not be capable of being triggered by a Restructuring or Governmental Intervention of an obligation which is Subordinated to the Subordinated Reference Obligation;

- (f) made a number of changes to the provisions for determining a Successor to a Reference Entity, particularly with respect to Financial and Sovereign Reference Entities;
- (g) provided for a new election of "Standard Reference Obligation" which, if chosen, will mean that the Reference Obligation will be the obligation of the relevant seniority level published in respect of the relevant Reference Entity on a List maintained by ISDA. A transaction on the terms of the 2014 ISDA Definitions may elect not to apply that election such that the Reference Obligation would remain as chosen by the parties, although, if this is the case, the procedure for selecting a Substitute Reference Obligation has also changed significantly in the 2014 ISDA Definitions;
- (h) replaced the Not Contingent Deliverable Obligation Characteristic with the concept of Outstanding Principal Balance. In order for an obligation (including the Reference Obligation) to constitute a Deliverable Obligation, it must have an Outstanding Principal Balance greater than zero;
- (i) amended the definition of "Qualifying Guarantee" to expand the universe of guarantees that can constitute Qualifying Guarantees (with a particular emphasis on including, to some extent, guarantees with caps or transfer provisions); and
- (j) introduced a large number of technical and other changes.

These changes in the 2014 ISDA Definitions as compared to the 2003 ISDA Definitions have been reflected in the section entitled "Credit Terms (2014 ISDA Credit Derivatives Definitions Version)" set out herein, but in each case subject to important differences, including to reflect the nature of the Notes as compared to "over-the-counter" transactions and to reflect any hedging arrangements the Issuer may put in place. Some changes, such as the inclusion of a new Credit Event, may have a significant economic effect on the Notes and may mean the value of the Notes and the return (if any) to investors is significantly different from Credit Linked Notes using the section entitled "Credit Terms (2003 ISDA Credit Derivatives Definitions Version)" (which has been prepared to reflect the 2003 ISDA Definitions) as set out in the Base Prospectus. Some changes may be disadvantageous to Noteholders and prospective investors should review carefully the terms of the Notes and, where in any doubt, take advice from suitably qualified professional advisers.

DOCUMENTS INCORPORATED BY REFERENCE AND AVAILABLE FOR INSPECTION

The following document which has previously been published and has been filed with the Central Bank shall be incorporated by reference in, and form part of, this Securities Note, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Securities Note to the extent that a statement contained herein or in the Registration Document, as supplemented by the Registration Document Supplement, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Securities Note:

- (a) the Base Prospectus available at:

http://www.ise.ie/debt_documents/Base%20Prospectus_af0c2003-ccf7-49a5-88f1-33d78e2c5755.PDF?v=292015

The list below sets out the relevant page references for the Base Prospectus:

Base Prospectus	Page reference
Taxation of Notes	529-565
Book-Entry Clearance Systems	606-609
ERISA Matters	610-611
Subscription and Sale and Transfer and Selling Restrictions	612-651

To the extent that only part of a document is incorporated by reference herein, the non-incorporated part of such document is either not relevant for investors or is covered elsewhere in the Prospectus.

The Securities Note is available for inspection in electronic form on the website of the Central Bank of Ireland www.centralbank.ie

The Registration Document is available for inspection in electronic form on the website of the Irish Stock Exchange at: http://www.ise.ie/debt_documents/Regdoc_881dea20-ebd9-4413-aa00-1dcffceaad24.PDF?v=162015

The Registration Document Supplement is available for inspection in electronic form on the website of the Irish Stock Exchange at: http://www.ise.ie/debt_documents/Supplements_6b66a4db-b812-4897-9bec-df503a801dff.PDF?v=2172015

FORM OF THE NOTES

The Notes were issued in registered form, without interest coupons attached (“**Registered Notes**”) outside the United States in reliance on the exemption from registration provided by Regulation S

The Notes, which were offered and sold in reliance on Regulation S, were sold to non-U.S. persons outside the United States (“**Regulation S Notes**”) and were initially represented by a permanent registered global certificate (a “**Regulation S Global Note**”) registered in the name of a nominee for Euroclear and Clearstream, Luxembourg.

Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note or Regulation S Definitive Registered Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 of the General Terms and Conditions of the Notes and (in respect of beneficial interests in Regulation S Global Notes) may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Note and Regulation S Definitive Registered Note will bear a legend regarding such restrictions on transfer.

Payments of principal, interest or any other amount in respect of the Definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d) of the General Terms and Conditions of the Notes) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by Definitive Registered Notes. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 of the General Terms and Conditions of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale and Transfer and Selling Restrictions” incorporated by reference herein.**

General

Pursuant to the Notes Agency Agreement (as defined under “*General Terms and Conditions of the Notes*”), the Registrar shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions **"Noteholder"** and **"holder of Notes"** and related expressions shall be construed accordingly.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 of the General Terms and Conditions of the Notes. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the General Terms and Conditions of such Notes and payment in full of the amount due or delivery of any Asset Amount has not been made in accordance with the provisions of the Global Note, then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **"SCB Notes Deed of Covenant"**) dated 18 December, 2006. The Notes will not be exchangeable for notes in bearer form and were issued pursuant to the Notes Agency Agreement.

TERMS AND CONDITIONS

The terms and conditions of the Notes shall consist of the General Terms and Conditions of the Notes and the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) as set out in Annex B and Annex C, respectively, below, as amended and/or supplemented by the terms and conditions of the Notes (the “**Additional Terms**”) the form of which is set out below (which, for the avoidance of doubt, shall be “Part A - Contractual Terms” and the Schedule below). For the purposes hereof, references in the General Terms and Conditions of the Notes and the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) to “Pricing Supplement” shall be deemed to refer to such terms set out below provided however that the Additional Terms apply, by virtue of the Prospectus, to Notes that are not Exempt Notes and the Base Prospectus and provisions below shall be construed accordingly.

PART A– CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Notes set forth in Annex B as amended and/or supplemented by the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) set forth in Annex C attached hereto.

1	(i)	Issuer:	Standard Chartered Bank, acting through its Specified Branch
	(ii)	Specified Branch:	Singapore
2	(i)	Series Number:	12121
	(ii)	Tranche Number:	1
	(iii)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3		Specified Currency or Currencies:	The Notes are denominated in India Rupee (“ INR ”) but the Specified Currency in respect of payments in respect of the Notes shall United States Dollars (“ USD ”)
4		Aggregate Nominal Amount:	
	(i)	Series:	INR 50,000,000
			Notwithstanding that the Note is denominated in India Rupee, the Noteholder shall deliver to the Issuer on the Issue Date, an amount in USD equal to USD 841,247 being (Aggregate Nominal Amount *(Issue Price plus Accrued Interest)) / Initial Spot Rate, where:
			“ Accrued Interest ” means 2.426667%
			“ Initial Spot Rate ” means 63.60 (expressed as the amount of INR per one USD)

	(ii) Tranche:	INR 50,000,000
5	Issue Price:	104.580% of Aggregate Nominal Amount
6	(i) Specified Denominations:	INR 12,000,000 and integral multiples of INR 200,000 in excess thereof up to and including INR 23,800,000. No Notes in a definitive form will be issued with a denomination above INR 23,800,000.
	(ii) Calculation Amount:	INR 200,000
	(iii) Unit:	Not Applicable
7	(i) Issue Date:	12 May 2015
	(ii) Interest Commencement Date:	Not Applicable
8	Maturity Date:	2 Business Days after the Reference Obligation Final Redemption Date.
9	Description of Notes:	Credit Linked Notes
10	Product Terms:	Credit Terms (2014 ISDA Credit Derivatives Definitions Version): Applicable (further details specified at item 31 below)
11	Interest Basis:	Other – Each Note bears interest comprising the Interest Amount payable on each Interest Payment Date provided “No Accrual of Interest upon Credit Event” (as set out below) shall apply. Please refer to the Clause 2 of the Schedule for further details.
12	Redemption/Payment Basis:	Redemption at Final Redemption Amount if no Credit Event Determination Date has occurred (further particulars specified at item 31)
13	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
14	Put/Call Options:	Not Applicable
15	(i) Status of the Notes:	Senior
	(ii) Date Board (or similar) approval for issuance of Notes obtained:	Not Applicable

PROVISIONS RELATING TO PRODUCT TERMS

16	Equity and Market Access Product Terms:	Not Applicable
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17	Other Product Terms:	Not Applicable
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PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18	Fixed Rate Note Provisions:	Not Applicable
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19	Floating Rate Note Provisions:	Not Applicable
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20	Zero Coupon Note Provisions:	Not Applicable
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21	Equity Linked Interest Provisions – Interest/Interim Amounts in respect of Equity Linked Notes:	Not Applicable
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22	Other interest provisions (including provisions relating to Structured Rate Notes):	Please see Clause 2 of the Schedule
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PROVISIONS RELATING TO REDEMPTION AND PRO RATA REDUCTION

23	Notice Periods for Condition 6(b) of the General Terms and Conditions:	Minimum Period: 15 days Maximum Period: Not Applicable
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24	Issuer Call:	Not Applicable
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25	Investor Put:	Not Applicable
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26	Investor Put in respect of SCEEN Notes and Reverse SCEEN Notes:	Not Applicable
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27	Early Redemption Amount:	
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(i)	Early Redemption Amount of each Note payable on redemption for taxation reasons or on an event of default and/or any method of calculating the same (if required or if different from that set out in Condition 6(e) of the General Terms and Conditions):	INR 200,000, converted into USD at the rate USD/INR exchange rate (expressed as the number of units of INR (or part thereof) for which one unit of USD can be exchanged) determined by the Calculation Agent at such time on the 2 nd New York and Mumbai Business Day prior to the date of early redemption by reference to such sources as it deems appropriate, and subject to adjustment downward to take into account any Adjustment Amount.
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(ii)	Adjustment for Hedging Costs in respect of Early Redemption Amount of each Note payable on redemption for taxation reasons or on an event of default:	Applicable
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28	Final Redemption Amount of each Note:	As specified in item 31 below
	- FX Valuation Date	Not Applicable
29	Equity Linked Redemption Provisions – Final Redemption Amount in respect of Equity Linked Notes:	Not Applicable
30	Credit Linked Notes (in accordance with Credit Terms (2003 ISDA Credit Derivatives Definitions Version)):	Not Applicable
31	Credit Linked Notes (in accordance with Credit Terms (2014 ISDA Credit Derivatives Definitions Version)):	Applicable
	(i) Final Redemption Amount:	With respect to each nominal amount of Notes equal to the Calculation Amount, an amount in USD calculated by the Calculation Agent equal to such Note's pro rata share of the quotient of (i) the Reference Asset Redemption Amount (as numerator) and (ii) the Spot Rate (as denominator), less any Adjustment Amount.
	(ii) Trade Date:	05 May 2015
	(iii) First-to-Default:	Not Applicable
	(iv) Reference Entities comprising the Reference Portfolio:	Not Applicable
	(v) Reference Entity:	Republic of India
	(vi) Reference Obligation(s):	Standard Reference Obligation: Not Applicable
	Issuer / Borrower:	Republic of India
	Type of Security:	Coupon bearing bond
	Gross Interest:	8.40% per annum
	Net Interest:	7.98% per annum (net of 5% withholding tax applicable on Trade Date)
	Interest Dates:	Payment 28 January and 28 July in each year
	Maturity Date:	28 July 2024
	ISIN :	IN0020140045

		The Issuer may, but shall not be obliged to, hold the Reference Obligation.
(vii)	All Guarantees:	Applicable
(viii)	Credit Events:	Failure to Pay Grace Period Extension Applicable Grace Period: 30 Business Days Obligation Acceleration Obligation Default Repudiation / Moratorium Restructuring Partial Redemption Following Restructuring: Not Applicable Multiple Holder Obligation: Not Applicable Mod R: Not Applicable Mod Mod R: Not Applicable Inconvertibility / Non-Transferability Hedging Disruption
(a)	Financial Reference Entity Terms:	Not Applicable
(b)	Subordinated European Insurance Terms:	Not Applicable
(c)	Default Requirement:	USD 10,000,000
(d)	Payment Requirement:	USD 1,000,000
(ix)	Credit Event Determination Date:	Notice of Publicly Available Information: Not Applicable
(x)	Obligation(s):	
	Obligation Category:	Reference Obligations Only
	Obligation Characteristics:	None
	Additional Obligation(s):	Not Applicable
(xi)	Excluded Obligation(s):	Not Applicable
(xii)	Settlement Method:	Physical Settlement

(xiii)	Adjustment for Hedging Costs:	Applicable
(xiv)	Fallback Settlement Method:	Not Applicable
(xv)	Limitation Dates subject to adjustment in accordance with Business Day Convention:	Not Applicable
(xvi)	Partial Accrual of Interest upon Credit Event:	Not Applicable
(xvii)	No Accrual of Interest upon Credit Event:	Applicable. No amount of interest will be payable in respect of any Interest Payment Date (or if none, the Issue Date) (and accordingly such interest will be deemed not to have accrued) of the relevant interest payment (as the same may be deferred) has not become due and payable on or prior to the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Payment Date, such Interest Payment Date.
(xviii)	Provisions relating to Monoline Insurer as Reference Entity:	Do not apply
(xix)	Terms relating to Cash Settlement:	Not Applicable
(xx)	Terms relating to Physical Settlement	Applicable
(a)	Physical Settlement Period:	30 Business Days
(b)	Asset Amount:	Please refer to the Schedule
(c)	Adjustment for Hedging Costs:	Applicable
(d)	Settlement Currency:	USD
(e)	Deliverable Obligations:	
	Deliverable Obligation Category:	Reference Obligations Only
	Deliverable Obligation Characteristics:	None
	Sovereign No Asset Package	Not Applicable

Delivery:

Additional Deliverable Obligation(s): Not Applicable

Interpretation of Provisions (see paragraph (B) of the definition of "Deliverable Obligations"): Applicable

(f) Excluded Deliverable Obligation(s): Not Applicable

(g) Indicative Quotations: Not Applicable

(h) Partial Settlement of Consent Required Loans: Not Applicable

(i) Partial Settlement of Assignable Loans: Not Applicable

(j) Adjustment for Hedging Costs in the event of a Partial Cash Settlement: Not Applicable

(k) Cut-Off Date: 15 Business Days before the expiry of the Physical Settlement Period

(l) Other terms or special conditions: Please see the Schedule.

(xxi) Force Majeure Events: Applicable.

For the purposes of paragraph 12 of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version), Specified Currency means USD and the amount determined in the first sentence of paragraph 12(iii) of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) shall mean an amount in USD.

Relevant Jurisdiction: As specified in paragraph 12 of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version)

(xxii) Merger Event: Paragraph 12 of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version): Applicable

(xxiii) Business Day Convention: Following

	(xxiv)	Calculation Agent City:	Singapore
	(xxv)	Reference Obligation Only Termination Amount:	With respect to each nominal amount of Notes equal to the Calculation Amount, an amount in USD calculated by the Calculation Agent equal to such Note's pro rata share of the quotient of (i) the Early Redemption Amount (as numerator) and (ii) the Spot Rate (as denominator), less any Adjustment Amount.
	(xxvi)	Qualifying Seller:	Participation Not Applicable
32		Instalment Notes:	Not Applicable
33		Other redemption provisions:	Not Applicable

PAYMENTS

34	Financial Centre(s) (Condition 5(a) of the General Terms and Conditions) or other special provisions relating to Payment Days:	Not Applicable
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GENERAL PROVISIONS APPLICABLE TO THE NOTES

35	Form of Notes:	<p>Registered Notes:</p> <p>Regulation S Global Notes exchangeable for Definitive Registered Notes upon an Exchange Event.</p>
36	Talons for future Coupons or Receipts to be attached to Definitive Notes:	No
37	Calculation Agent:	Standard Chartered Bank
38	Business Centre(s):	London, Mumbai, Singapore and New York
39	Redenomination:	Not Applicable
40	Other final terms or special conditions:	Please see the Schedule annexed hereto.
41	Additional Provisions for Use with an Indian Underlying Asset/Index:	Not Applicable
42	Additional Provisions for Use with a Taiwan Underlying Asset/Index:	Not Applicable
43	Additional Provisions for Other	Not Applicable

Jurisdictions:

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Irish Stock Exchange plc
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange with effect from the date of this Securities Note

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

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

- (i) Reasons for the offer See “*Use of Proceeds*” wording below
- (ii) Estimated net proceeds: USD 841,247 being the net proceed amount received by the Issuer on the Issue Date.
- (iii) Estimated total expenses: EUR10,000

4. PERFORMANCE OF THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY

The Reference Entity is the Republic of India and any Successor thereto identified pursuant to the terms and conditions of the Notes. Payments due in relation to the Notes are made by reference to amounts that a non-resident corporate holder would receive in respect of a holding of the Reference Assets. Payments made in respect of the Reference Assets are made in INR and will be converted into USD at the then-prevailing spot rate of exchange determined by the Calculation Agent (all as provided in the terms and conditions). As further detailed in the terms and conditions, following a Credit Event, the Notes may be redeemed other than on the scheduled maturity date by physical settlement of the relevant pro rata share of the Reference Assets, which may be less than a Noteholder’s initial investment.

Information in respect of the Reference Entity can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg .

5. OPERATIONAL INFORMATION

- (i) ISIN Code: XS1231350247
- (ii) Common Code: 123135024
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, Not Applicable

société anonyme and the relevant identification number(s):

- | | | |
|------|---|--------------------------|
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |

6. DISTRIBUTION

- | | | |
|--------|--|--|
| (i) | Method of distribution: | Non-syndicated |
| (ii) | Names of any Managers: | Not Applicable |
| (iii) | Date of Purchase Agreement: | Not Applicable |
| (iv) | Stabilisation Manager (if any): | Not Applicable |
| (v) | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA rules not applicable |
| (vi) | Additional selling restrictions: | In addition, any potential purchaser must meet the requirements of the Indian selling restrictions as set out in Annex A |
| (vii) | Additional U.S. federal income tax consequences: | Not Applicable |
| (viii) | Singapore stamp duty payable on the issuance of the Notes: | Not Applicable |

Representations Warranties and Acknowledgments:

By agreeing to purchase the Notes, the Noteholder hereby represents, warrants and acknowledges that:

- (a) it has sufficient knowledge, experience and professional advice to make and has made and will continue to make its own legal, tax, accounting and other business evaluations of the merits and risks of investment in the Notes and is not relying on the views or the advice of, or any information with respect to the Reference Entity or the Reference Obligation provided by, the Issuer or any manager/dealer;
- (b) it has full legal power and authority to purchase the Notes;
- (c) the purchase of the Notes does not violate or conflict with any law applicable to it, any provision of its constituting documents, any order of any court or other governmental agency applicable to it, or any contractual restriction binding on it or affecting its assets;
- (d) any governmental and other approvals that it is required to obtain for the purchasing of the Notes have been obtained and are in full force and effect and that any conditions to any such approval have been complied with;

- (e) it is solely responsible for making its own independent appraisal of the Reference Entity;
- (f) it has not relied and will not rely upon the Issuer to provide any information relating to the business, financial condition or creditworthiness of the Reference Entity;
- (g) the Issuer or its affiliates may accept deposits from, extend credit to and otherwise enter into banking or other business with the Reference Entity, any affiliate of a Reference Entity, any Underlying Obligor or any other person or entity having obligations relating to a Reference Entity or any Underlying Obligor, and may act with respect to such business in the same manner as it would if the Notes did not exist regardless of whether any such action might have an adverse effect on the Reference Entity, any Underlying Obligor or the position of any Noteholder (including any action which might constitute or give rise to a Credit Event);
- (h) the Issuer or its affiliates may, whether by virtue of the types of relationship described above or otherwise, on the Trade Date or at any time thereafter, be in possession of information in relation to the Reference Entity or any Underlying Obligation that is or may be material in the context of the Notes and that may or may not be publicly available or known to any purchaser of the Notes but shall be under no obligation to disclose such information to any purchaser of the Notes;
- (i) it has determined to purchase the Notes notwithstanding any information described in paragraph (h) above that the Issuer may have possession of, and notwithstanding that the Issuer may be contractually prohibited from disclosing or offering to disclose such information to any Noteholder by virtue of any credit agreement or other agreement with a Reference Entity, any affiliate of a Reference Entity, any Underlying Obligor or any other person or entity having obligations relating to a Reference Entity or any Underlying Obligor;
- (j) the terms of the Notes are binding upon it, irrespective of the existence or the amount of the Issuer's or any person's exposure to the Reference Entity, and the Issuer need not suffer any loss or provide evidence of any loss as a result of the occurrence of a Credit Event; and
- (k) it is purchasing the Notes for its own account and no other person shall have an interest in the Notes.

In the event that the Noteholder is on-selling the Notes to another party, it hereby represents and warrants that:

- (a) the product is suitable for any proposed purchaser ("**Secondary Purchaser**") to whom it is seeking to on-sell the Notes;
- (b) it has properly disclosed the risks of an investment in the Notes to such Secondary Purchaser;
- (c) it will comply with all applicable laws, rules and regulations in respect of any on-sale of the Notes; and
- (d) it shall indemnify the Issuer against any claims brought against the Issuer by any Secondary Purchaser in respect of any mis-selling of the Notes by it.

SCHEDULE

1. DEFINITIONS

For the purposes of this document:

"Adjustment Amount" means any amount arising from the imposition of any taxes on the conversion of the Reference Asset Coupon Amount or, Reference Asset Redemption Amount or such other Local Currency amount which needs to be converted into USD under the terms of the Notes.

"Hedging Disruption" means the determination by the Calculation Agent that the Issuer or any Affiliate is unable for any reason whatsoever, after using commercially reasonable efforts, to (A) acquire, establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Inconvertibility/Non-Transferability" means the determination by the Calculation Agent of:

- (A) the occurrence of any event that hinders, limits or restricts (including without limitation by way of delay, increased costs or discriminatory rates of exchange):
 - (1) (a) the manner in which the Local Currency may be converted into USD through any customary legal channel in the Reference Jurisdiction; or (b) the availability of USD through any customary legal channel in the Reference Jurisdiction or (c) the free exchange of the Local Currency into USD (whether for an exchange of the full or partial Local Currency amount for which the Issuer would need to convert into USD to fulfil its obligations under the Notes) in the Reference Jurisdiction; or
 - (2) the manner in which (a) USD may be delivered (i) between or to accounts inside the Reference Jurisdiction or (ii) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or to a party that is non-resident of the Reference Jurisdiction; and/or
- (B) the unavailability of USD in any legal exchange market in the Reference Jurisdiction in accordance with normal commercial practice.

"Initial Spot Rate" means 63.60 (expressed as the amount of Local Currency per one USD).

"Interest Amount" means, in respect of an Interest Payment Date and in respect of each nominal amount of Notes equal to the Calculation Amount, an amount in USD calculated by the Calculation Agent equal to such Note's pro rata share of the quotient of (i) Reference Asset Coupon Amount in respect of the Reference Asset Coupon Amount Payment Date immediately preceding such Interest Payment Date (as numerator) and (ii) the Spot Rate (as denominator), less any Adjustment Amount.

"Interest Payment Date" means each day falling two Business Days immediately following each Reference Asset Coupon Amount Payment Date.

"Local Currency" or **"INR"** means the lawful currency of the Reference Jurisdiction.

"Reference Asset" means Reference Obligations with an aggregate nominal amount equal to the Aggregate Nominal Amount of the Series of the Notes then outstanding.

"Reference Asset Coupon Amount" means, in respect of a Reference Asset Coupon Amount Payment Date, an amount in the Local Currency calculated by the Calculation Agent equal to the net amount (after the deduction of any costs, taxes, duties, or governmental charges whether such costs, taxes, duties, or governmental charges were imposed before, on or after the Trade Date, including but

not limited to withholding taxes) that would be received by a non-resident corporate holder of the Reference Asset in respect of interest on such date.

"Reference Asset Coupon Amount Payment Date" means each interest payment date as provided for in the Reference Obligation Terms, adjusted in accordance with the applicable business day convention and payment day convention in the Reference Obligation Terms if such date is not a good business day or payment day under the Reference Obligation Terms.

"Reference Asset Redemption Amount" means an amount in the Local Currency calculated by the Calculation Agent equal to the net amount (after the deduction of any costs taxes, duties or government charges whether such costs, taxes, duties, or governmental charges were imposed before, on or after the Trade Date, including but not limited to withholding taxes) of any principal payments that would be received by a non-resident corporate holder in respect of a redemption of the Reference Asset on the Reference Obligation Final Redemption Date.

"Reference Jurisdiction" means Republic of India.

"Reference Obligation Final Redemption Date" means the final maturity date of the Reference Obligation, adjusted in accordance with the applicable business day convention and payment day convention in the Reference Obligation Terms if such date is not a good business day or payment day under the Reference Obligation Terms

"Reference Obligation Terms" means terms of the Reference Obligation as amended or supplemented from time to time.

"Spot Rate" means the Local Currency/USD spot rate of exchange (expressed as the number of Local Currency (or part thereof) for which USD1 can be converted) at which the Issuer, acting in good faith and in a commercially reasonable manner, is able to sell the (i) Reference Asset Coupon Amount, (ii) Reference Asset Redemption Amount or (iii) such other Local Currency amount which needs to be converted into USD under the terms of the Notes.

2. AMENDMENTS TO THE TERMS AND CONDITIONS

- (A) Conditions 4 (a) to (c) (Interest) shall be deleted in its entirety and replaced with the following:

“Each Note bears interest comprising the Interest Amount payable on each Interest Payment Date.”
- (B) The words "together (if appropriate) with interest accrued to (but excluding) the date of redemption" appearing in the second paragraph of Condition 6(b) (Redemption for Tax Reasons) shall be deleted and replaced with the following “and no Interest Amount will be payable on any Interest Payment Date falling after the Interest Payment Date immediately preceding the date fixed for redemption (or if none the Issue Date) unless the date fixed for redemption is an Interest Payment Date, in which case no Interest Amount will be payable after such date”.
- (C) The words "together with accrued interest (if any) to the date of payment" appearing in the second last line of the last paragraph of Condition 9 (Events of Default) shall be deleted and replaced with the following “no Interest Amount will be payable on any Interest Payment Date falling after the Interest Payment Date immediately preceding the date fixed for redemption (or if none the Issue Date) unless the date fixed for redemption is an Interest Payment Date, in which case no Interest Amount will be payable after such date”.

- (D) Paragraph 3(i)(b) of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) (Repudiation/Moratorium Extension) shall be deleted and the following substituted therefor:

“(b) the Issuer shall be obliged to pay Interest Amount calculated as provided herein in respect of the final Interest Payment Date but shall only be obliged to make such payment of Interest Amount on the third Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of Interest Amount shall be payable and no additional amount shall be payable in respect of such delay; and”.

- (E) Paragraph 4(i)(b) of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) (Grace Period Extension) shall be deleted and the following substituted therefor:

“(b) the Issuer shall be obliged to pay Interest Amount calculated as provided herein in respect of the final Interest Payment Date but shall only be obliged to make such payment of Interest Amount on the third Business Day following the Grace Period Extension Date and no further or other amount in respect of Interest Amount shall be payable and no additional amount shall be payable in respect of such delay; and”.

- (F) Paragraph 5(i)(b) of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) (Deferral of Maturity Date) shall be deleted and following substituted therefor:

“(b) the Issuer shall be obliged to pay Interest Amount calculated as provided herein in respect of the final Interest Payment Date but shall only be obliged to make such payment of Interest Amount on the Deferred Maturity Date and no further or other amount in respect of Interest Amount shall be payable and no additional amount shall be payable in respect of such delay; and”

- (G) Paragraph 6 of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) (Procedures for Physical Delivery) shall be amended by the deletion of the following paragraphs:

“provided further that:

- (i) if all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, (but subject to paragraph (ii) below in the case of Assignable Loans or Consent Required Loans) are not Delivered by the Final Delivery Date, the provisions of paragraph 7(i) shall apply; or
- (ii) if all or a portion of the Deliverable Obligations included in the Asset Amount consist of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date, the provisions of paragraph 7(ii) shall apply.”

and the substitution of the following therefor:

"provided further that if all or some of the Deliverable Obligations included in the Asset Amount are Undeliverable Obligations or Hedge Disruption Obligations after the Final Delivery Date, then the Issuer shall continue to attempt to Deliver or procure the Delivery of such Undeliverable Obligations or Hedge Disruption Obligations in such commercially reasonable manner determined by the Issuer in its sole and absolute discretion, including, but not limited to, Delivering such Undeliverable Obligations or Hedge Disruption Obligations into an account established by the Issuer in the name of such Noteholder Provided That if such

Undeliverable Obligations or Hedge Disruption Obligations are not Delivered by the day that is one calendar year after the Final Delivery Date the Issuer shall be discharged from its obligations in respect of the Notes and shall have no further or other obligation or liability in respect thereof."

- (H) Paragraph 7(i) and (ii) of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) (Partial Cash Settlement) shall not apply to the Notes.
- (I) The definition of "Asset Amount" in Paragraph 15 of the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) (Definitions) shall be deleted and replaced with the following:

“**Asset Amount**” means, in respect of each nominal amount of Notes equal to the Calculation Amount, such Note’s pro rata share of the Reference Asset.”

ANNEX A

Indian Selling Restrictions

A) By the purchase of any Notes, on the date of purchase and on each day the Notes are being held, each Noteholder will be deemed to represent and warrant that its purchase of the Notes is in full compliance with the following selling restrictions and it undertakes and agrees to the selling restrictions below:

1. The Notes shall not be offered, sold or transferred to (i) a “person resident in India” (as such term is defined in the Foreign Exchange Management Act, 1999, as may be amended or supplemented from time to time), or, (ii) a “non-resident Indian” (as such term is defined in the Foreign Exchange Management (Deposit) Regulations, 2000 as may be amended or supplemented from time to time), (each a “**Restricted Entity**”);
2. The Notes shall not be offered, sold or transferred to any person/entity whose controller is a Restricted Entity.

For the purposes of this representation, a “**controller**” means any person or group of persons (acting pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) who:

- (a) is/are entitled to exercise, or control the exercise of a majority or more of the voting power of an entity, or
- (b) holds or is otherwise entitled to a majority or more of the economic interest in an entity, or
- (c) who in fact exercises control over an entity.

For the purposes of this representation, “**control**” means the ability to appoint a majority or more of the directors of an entity, or the capacity to control decision-making, directly or indirectly, in relation to the financial, investment and/or operating policies of an entity in any manner.

Notwithstanding the foregoing definition, in the case only where an entity’s investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to be such entity’s controller for the purposes of this representation by reason only of it being able to control decision-making in relation to the entity’s financial, investment and /or operating policies;

3. The Notes shall only be purchased by a principal for its own account and not as an agent, nominee, trustee or representative of any other person and no agreement for the issuance of a back-to-back offshore derivatives instrument (“**ODI**”) (as such term is defined for the purposes of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulation 1995 and notifications, circulars, rules and guidelines of the Securities and Exchange Board of India issued from time to time) (collectively referred to as the “**FII Regulations**”) can be entered into against the Notes¹;

¹ For the purpose of this paragraph (A)(3), a “back-to-back ODI” shall not include the issue of any ODI issued by a party who has disclosed the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular, under Regulation 20A of the FII Regulations).

4. The Notes shall only be offered to a “person regulated by an appropriate foreign regulatory authority” (as such term and/or requirements relating thereto are defined or otherwise interpreted for the purposes of Regulation 15A of the FII Regulations) (a “**Regulated Entity**”²);
 5. The Notes shall not be purchased with the intent of circumventing or otherwise avoiding any requirements applicable under the FII Regulations (including, without limitation, any restrictions applying to foreign institutional investors in relation to their issuances and/or other dealings in the Notes with, Restricted Entities and persons/entities who are not Regulated Entities); and
 6. The Notes cannot be sold, transferred, assigned or novated or otherwise disposed of and no back-to-back ODIs³ may be entered into and no agreement with respect to any of the foregoing may be entered into by the Noteholder nominees, associates or affiliates (each, a “**Transfer**”) with, an entity which is a Restricted Entity or an entity which is not a Regulated Entity.
- B) Further, by the purchase of any Notes, each purchaser of the Notes is deemed to have agreed and undertaken as follows (and for the avoidance of doubt, such agreements and undertakings shall survive the maturity or expiration date of such Notes):
1. It will, in the case where it or its nominees, associates or affiliates sell, transfer, assign, novate or otherwise dispose of the Notes to, or enter into any back-to-back ODIs⁴ or enter into an agreement with respect to any of the foregoing with any party:
 - i) provide notice of these “Indian Selling Restrictions” to any person to whom a Transfer was made (the “**Transferee**”); and
 - ii) issue a written notice to the Issuer in such form as the Issuer may determine within two (2) business days after the Transfer.
 2. The Issuer and its associates/affiliates are authorised to provide information in their possession regarding it, any Transferee, each of the nominees or associates/affiliates of it and/or the Transferee, the Notes and any breach of these representations, warranties, agreements and undertaking to any Indian governmental or regulatory authorities (each an “**Authority**”) as the Issuer or its associates/affiliates reasonably deems necessary or appropriate in order to comply with regulations or requests of such Authority from time to time, including but not limited to disclosures in periodic reportings made by the Issuer or its associates/affiliates to any Authority;
 3. It will and shall procure its nominees or associates/affiliates to, provide the Issuer or its associates/affiliates (as the case may be) promptly with such additional information that the Issuer or its associates/affiliates (as the case may be) reasonably deems

² Sovereign Wealth Funds/Foreign Government Bodies (SWF/FGB) are deemed to be eligible to be issued ODIs under the existing provisions of regulation 15A.

³ For the purpose of this paragraph (A)(6), a “back-to-back ODI” shall not include the issue of any ODI issued by a party who has disclosed the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular, under Regulation 20A of the FII Regulations).

⁴ For the purpose of this paragraph (B)(1), a “back-to-back ODI” shall not include the issue of any ODI to be issued by a party who makes monthly or periodic disclosure of ODI transactions to the Securities and Exchange Board of India and will disclose the terms and parties to such back-to-back ODI in the form and manner prescribed by the Securities and Exchange Board of India pursuant to the FII Regulations (in particular, under Regulation 20A of the FII Regulations).

necessary or appropriate in order to comply with regulations or requests of any Authority from time to time;

4. It acknowledges that non-compliance with, or breach, violation or contravention of, the obligations under these “Indian Selling Restrictions” (including, without limitation, any restrictions with respect to a Transfer) (“**ODI Holder Obligations**”) may result in non-compliance with, or breach, violation or contravention of, applicable laws, regulations, governmental orders or directions, regulatory sanctions against the Issuer and/or its associates/affiliates and cause irreparable harm to the Issuer and/or its associates/affiliates. Accordingly, it further acknowledges that, in the event of any non-compliance with, or breach, violation or contravention of the ODI Holder Obligations by it, the Issuer and/or its associates/affiliates may notify the Authority of the breach, violation or contravention and exercise any rights and take any measures available to the Issuer and/or its associates/affiliates under the terms of the Notes including these “Indian Selling Restrictions”, or any other measures to prevent, avoid, mitigate, remedy or cure such non-compliance, breach, violation or contravention, including but not limited to termination or compulsory redemption of the Notes by the Issuer or its associates/affiliates; and
5. It will promptly notify the Issuer or its associates/affiliates should any of the representations, warranties, agreements and undertakings given by it changes or no longer holds true.

ANNEX B

GENERAL TERMS AND CONDITIONS OF THE NOTES

The following is the text of the General Terms and Conditions that, subject to the provisions of the relevant Product Terms, the relevant Issue Terms and, if applicable, the additional terms set out in any relevant supplement to this Base Prospectus, shall be the “Conditions” applicable to the Notes. References in the Conditions to “Notes” are to the Notes of one series only, not to all Notes that may be issued under the Programme. Reference should be made to “Form of Final Terms of the Notes” for a description of the contents of the Final Terms, which will specify which of such terms are to apply in relation to Notes which are not Exempt Notes and reference should be made to “Form of Pricing Supplement of the Notes” for a description of the contents of the Pricing Supplement, which will specify which of such terms are to apply in relation to Notes which are Exempt Notes.

This Note is one of a Series (as defined below) of Notes issued by (i) Standard Chartered Bank (“**SCB**”), acting through its principal office in London or, as the case may be, acting through the branch specified as being the Specified Branch in the applicable Issue Terms (as defined below) or (ii) Standard Chartered Bank (Hong Kong) Limited (“**SCBHK**”), as specified in the applicable Issue Terms, pursuant to the Notes Agency Agreement (as defined below). References to the “**Issuer**” are to SCB or SCBHK as applicable, as the relevant Issuer of the Notes specified in the applicable Issue Terms.

References herein to the “**Notes**” shall be references to the Notes of this Series and shall, as the context may require, mean:

- (i) in relation to any Notes in bearer form represented by a global Note (a “**Bearer Global Note**”), units of the Calculation Amount in the Specified Currency;
- (ii) any definitive Notes in bearer form (“**Definitive Bearer Notes**” and, together with the Bearer Global Notes, “**Bearer Notes**”) issued in exchange for a Bearer Global Note;
- (iii) any Notes in registered form (“**Registered Notes**”) represented by a registered certificate held outside any clearing systems (“**Definitive Registered Note**” and, together with Definitive Bearer Notes, “**Definitive Notes**”) or by a permanent global registered certificate held on behalf of one or more clearing systems (“**Global Registered Note**” and, together with the Definitive Registered Note, “**Note Certificates**”); and
- (iv) any Bearer Global Note or Global Registered Note (together, “**Global Notes**”).

References herein to “**Exempt Notes**” are to Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required under Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Notes Agency Agreement (such Notes Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Notes Agency Agreement**”) dated 3 July, 2014 and made between SCB, SCBHK, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the “**Agent**”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), Deutsche Bank AG, London Branch as exchange agent (the “**Exchange Agent**”, which expression shall include any successor exchange agent) and Deutsche Bank Luxembourg S.A. as registrar (the “**Registrar**”, which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes have interest coupons (“**Coupons**”) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“**Receipts**”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

If the Notes are not Exempt Notes, the final terms for this Note (or the relevant provisions thereof) are set out in Part A of the final terms document (the “**Final Terms**”) attached to or endorsed on this Note which completes these terms and conditions (the “**General Terms and Conditions**”) for the purposes of this Note or, if the Notes are Exempt Notes, the final terms for this Note (or the relevant provisions thereof) are set out in Part A of the pricing supplement (the “**Pricing Supplement**”) attached to or endorsed on this Note which may specify other terms and conditions and which shall, to the extent so specified or to the extent inconsistent with these General Terms and Conditions, replace or modify these General Terms and Conditions for the purposes of this Note. References to the “**applicable Final Terms**” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note and references to the “**applicable Pricing Supplement**” are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note. References to “**applicable Product Terms**” are to the relevant additional terms and conditions (if any) attached to or endorsed on this Note.

References herein to “**Issue Terms**” are either (i) where the Notes are not Exempt Notes, the applicable Final Terms or (ii) where the Notes are Exempt Notes, the applicable Pricing Supplement, and should be construed accordingly.

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “**Receiptholders**” shall mean the holders of the Receipts and any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon, the date which interest started to accrue and their Issue Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant made by SCB in respect of Notes issued by SCB (such Deed of Covenant as amended and/or supplemented and/or restated from time to time, the “**SCB Notes Deed of Covenant**”) and the Deed of Covenant made by SCBHK in respect of Notes issued by SCBHK (such Deed of Covenant as amended and/or supplemented and/or restated from time to time, the “**SCBHK Notes Deed of Covenant**”, and together with the SCB Notes Deed of Covenant, the “**Notes Deeds of Covenant**”), each dated 3 July, 2014. The original of each Notes Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Notes Agency Agreement, a deed poll (the “**Deed Poll**”) dated 3 July, 2014 and made by SCB and SCBHK, the SCB Notes Deed of Covenant and the SCBHK Notes Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Issue Terms are obtainable during normal business hours at the specified office of the Agent, the Registrar, in the case of Registered Notes, and the other Paying Agents, in the case of Bearer Notes, save that the applicable Pricing Supplement relating to Exempt Notes which are not listed on any stock exchange will only be obtainable by a Noteholder holding one or more Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Notes Agency Agreement, the Notes Deeds of Covenant and the

applicable Issue Terms which are applicable to them. The statements in these General Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Notes Agency Agreement.

Words and expressions defined in the Notes Agency Agreement or used in the applicable Issue Terms shall have the same meanings used in these General Terms and Conditions, unless the context otherwise requires or unless otherwise stated, and provided that, in the event of inconsistency between the Notes Agency Agreement and the applicable Issue Terms, the applicable Issue Terms will prevail.

In these General Terms and Conditions, the following definitions shall apply:

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

"Asset Amount" has the meaning given in the relevant Product Terms and/or applicable Issue Terms.

"Business Day" means a day which is both:

- (a) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Business Centre specified in the applicable Issue Terms; and
- (b) either:
 - (i) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); or
 - (ii) in relation to any sum payable in euro, a day on which the TARGET System is open (a **"TARGET Settlement Day"**).

"Calculation Amount" means the amount specified as the Calculation Amount in the applicable Issue Terms.

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme.

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

- (a) if **"Actual/Actual"** or **"Actual/Actual-ISDA"** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **"Actual/365 (Fixed)"** is specified hereon, the actual number of days in the Calculation Period divided by 365;

- (c) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (d) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

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

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

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

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

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

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

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

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year,

where:

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

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

“**Delivery Expenses**” means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Asset Amount.

“Distribution Compliance Period” means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant manager (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue).

“EURIBOR” means the Euro-zone interbank offered rate.

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

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

“Final Redemption Amount” means, in respect of a Calculation Amount, the amount specified in the applicable Issue Terms. Where the Notes are specified in the applicable Issue Terms to be Alternate Currency Notes, the Specified Amount specified in the applicable Issue Terms shall be converted into the Payment Currency at the FX Rate on the FX Valuation Date specified in relation thereto in the applicable Issue Terms and such converted amount shall be the Final Redemption Amount.

“FX Rate” means, in respect of an FX Valuation Date, (i) the FX Rate for such FX Valuation Date specified in the relevant Product Terms or (ii) otherwise, the Payment Currency/Denomination Currency exchange rate (expressed as the number of units of the Denomination Currency (or part thereof) for which one unit of the Payment Currency can be exchanged) determined by the Calculation Agent at such time on such FX Valuation Date by reference to such sources as it deems appropriate.

“FX Valuation Date” means, in relation to the relevant payment and as set out in the applicable Issue Terms, the date or dates, as the case may be, specified in relation to such payment in the applicable Issue Terms.

“HIBOR” means the Hong Kong interbank offered rate.

“Interest Period” means the period from (and including) an Interest Period Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Period Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the applicable Issue Terms.

“Investor Put” shall be as described in Condition 6(d) below and in any applicable Product Terms.

“Issue Date” means the date specified in the applicable Issue Terms.

“Issuer Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place of location of the Issuer.

“Issuer Call” shall be as described in Condition 6(c) below.

“LIBOR” means the London interbank offered rate.

“Maturity Date” shall have the meaning specified in the applicable Issue Terms.

“Long Maturity Note” is a Fixed Rate Note which has a fixed redemption amount which is not conditional on any contingency specified in the Conditions (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon, provided that such Note shall cease to be a Long

Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

“London Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

“Optional Redemption Amount” means, in respect of a Calculation Amount and an Optional Redemption Date, the amount specified for such Optional Redemption Date in the applicable Issue Terms. If an Optional Redemption Price is specified in the applicable Issue Terms for such Optional Redemption Date, the Optional Redemption Amount shall be determined as the Calculation Amount multiplied by such Optional Redemption Price. Where the Notes are specified in the applicable Issue Terms to be Alternate Currency Notes, the Specified Amount specified in the applicable Issue Terms shall be converted into the Payment Currency at the FX Rate on the FX Valuation Date specified in relation thereto in the applicable Issue Terms and such converted amount shall be the Optional Redemption Amount.

“Payment Day” means any day which is:

- (a) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) the relevant place of presentation, in relation to Definitive Notes only; and
 - (ii) any Financial Centre specified in the applicable Issue Terms;
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation (in relation to Definitive Registered Notes only) or any Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET System is open; and
- (c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

“QIB” means a “qualified institutional buyer” within the meaning of Rule 144A.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market; in the case of a determination of SIBOR, the principal Singapore office of four major banks in the Singapore inter-bank market; and, in the case of a determination of any other Reference Rate, the principal office of four major banks in the inter-bank market of the Relevant Financial Centre, in each case selected by the Interest Determination Agent or as specified in the applicable Issue Terms.

“Regulation S” means Regulation S under the Securities Act.

“Regulation S Definitive Registered Note” means a Definitive Registered Note representing Regulation S Notes and bearing the Regulation S Legend.

“Regulation S Global Note” means a Registered Global Note representing Regulation S Notes.

“Regulation S Legend” means the legend setting forth restrictions on the transfer of Regulation S Notes.

“Regulation S Notes” means Registered Notes issued by the relevant Issuer outside the United States in reliance on Regulation S.

“Relevant Date” means the date on which the relevant payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

“Rule 144A” means Rule 144A under the Securities Act.

“Rule 144A Definitive Registered Note” means a Definitive Registered Note representing Rule 144A Notes and bearing the Rule 144A Legend.

“Rule 144A Global Note” means a Registered Global Note representing Rule 144A Notes.

“Rule 144A Legend” means a legend setting forth restrictions on the transfer of Rule 144A Notes.

“Rule 144A Notes” means Registered Notes issued by the relevant Issuer and offered and sold within the United States only to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A.

“Securities Act” means the United States Securities Act of 1933, as amended.

“SIBOR” means the Singapore interbank offered rate.

“Specified Currency” means the currency specified as the “Specified Currency” in the applicable Issue Terms, provided that, if the Notes are specified in the applicable Issue Terms to be Alternate Currency Notes, the Specified Currency in respect of the Notes shall be the **“Denomination Currency”** as specified in the applicable Issue Terms and the Specified Currency in respect of payments in respect of the Notes shall be the **“Payment Currency”** as specified in the applicable Issue Terms.

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

“TARGET System” means the Trans-European Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November, 2007 or any successor thereto.

“Tax Event” means any change in, or amendment to, the laws or regulations of a Tax Jurisdiction, or any change in application or official interpretation of such laws or regulations, which results in any present or future taxes, duties or governmental charges of any nature whatsoever being imposed on payments in respect of the Notes.

“Tax Jurisdiction” means (i) (where SCB is the Issuer) the United Kingdom or, where a Specified Branch is specified in the applicable Issue Terms, both the United Kingdom and the jurisdiction in which such Specified Branch is located and, in either case, any authority thereof or therein having power to tax and (ii) (where SCBHK is the Issuer) Hong Kong and any authority thereof or therein having power to tax.

1 FORM, DENOMINATION AND TITLE

The Notes are either in bearer form or in registered form, as specified in the applicable Issue Terms, and in the Specified Currency and the Specified Denomination(s). Where specified in the applicable Issue Terms, the Notes will trade and settle on a per Unit basis. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Where the Notes are not Exempt Notes, the Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, non-interest bearing Notes, Credit Linked Notes, Equity Linked Notes, Market Access Product Notes or any combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. Where the Notes are Exempt Notes, the Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, non-interest bearing Notes, Credit Linked Notes, Commodity Linked Notes, Currency Linked Notes, Equity Linked Notes, Market Access Product Notes, Index Linked Notes or any other type of Notes (including Structured Rate Notes) that may be specified in the applicable Pricing Supplement, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

Where the Notes are not Exempt Notes, the Notes may redeem at a fixed amount or may be Equity Linked Notes or Market Access Product Notes depending on the Redemption/Payment Basis shown in the applicable Final Terms. Where the Notes are Exempt Notes, the Notes may redeem at a fixed amount, may be Equity Linked Notes, Instalment Notes or any other type of Notes that may be specified in the applicable Pricing Supplement, depending on the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are serially numbered and are issued with Coupons and, if applicable, Receipts attached, unless they are Zero Coupon Notes or non-interest bearing Notes, in which case references to Coupons and Couponholders in these General Terms and Conditions are not applicable. Exempt Notes repayable in instalments ("**Instalment Notes**") which are in definitive form are issued with one or more Receipts attached.

Registered Notes are represented by Note Certificates and, save as provided in Condition 2(c), each Note Certificate shall represent the entire holding of Registered Notes by the same holder.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Notes Agency Agreement. The Issuer, the Registrar and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Bearer Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Bearer Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Bearer Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Bearer Notes, for which purpose the bearer of the relevant Bearer Global Note shall be treated by the Issuer, the Registrar and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as the Depository Trust Company (“**DTC**”) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Notes Agency Agreement and the Notes, except to the extent that, in accordance with DTC’s published rules and procedures, any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg or any other clearing system, as the case may be, specified in the applicable Issue Terms.

References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Issue Terms.

2 TRANSFERS OF REGISTERED NOTES

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

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for an interest in Definitive Registered Notes or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Issue Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Notes Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor’s nominee.

(b) *Transfers of interests in Definitive Registered Notes*

Subject as provided in paragraphs (e), (g) and (h) below, upon the terms and subject to the conditions set forth in the Notes Agency Agreement, Registered Notes represented by a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Issue Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Definitive Registered Note for registration of the transfer of all or part of the Registered Notes represented by it at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 10 (*Register and Transfer of Registered Notes*) to the Notes Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee, or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Definitive Registered Note

representing the aggregate nominal amount of the Registered Notes transferred. In the case of the transfer of only some of the Registered Notes represented by a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Registered Notes not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) *Exercise of options or partial redemption in respect of Definitive Registered Notes*

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

(d) *Costs of registration*

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

(e) *Delivery of new Definitive Registered Notes*

Each new Definitive Registered Note to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Put Notice (as defined in Condition 6(d)) and surrender of the Definitive Registered Note for exchange. Delivery of the new Definitive Registered Note(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Notice or Definitive Registered Note shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Put Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Definitive Registered Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(e), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(f) *Closed periods*

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

(g) Transfers of interests in Regulation S Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Notes Agency Agreement, amended as appropriate (a “**Transfer Certificate**”), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or to a person whom the transferor reasonably believes is a QIB pursuant to another exemption from the registration requirements of the Securities Act, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Rule 144A Global Note or Rule 144A Definitive Registered Notes. After expiry of the applicable Distribution Compliance Period (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (B) such certification requirements will no longer apply to such transfers of beneficial interests in Regulation S Notes.

(h) Transfers of interests in Rule 144A Notes

Transfers of Rule 144A Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Rule 144A Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Rule 144A Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (iii) otherwise pursuant to the Securities Act or to a person whom the transferor reasonably believes is a QIB pursuant to another exemption from the registration requirements of the Securities Act, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Note Certificates representing Rule 144A Notes, or upon specific request for removal of the Rule 144A Legend, the Registrar shall deliver only Note Certificates bearing the Rule 144A Legend or refuse to remove the Rule 144A Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

3 STATUS OF THE NOTES

The Notes and any related Receipts and Coupons are direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The obligations of the Issuer under the Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future.

4 INTEREST

(a) General

(i) Interest Payment Dates

Each Note (other than a Zero Coupon Note or a Note for which the Interest Basis is specified as “Non-interest bearing” in the applicable Issue Terms) bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrears on the Specified Interest Payment Date(s) in each year specified in the applicable Issue Terms (each such date an “**Interest Payment Date**”).

Such interest will be payable in respect of each Interest Period. The amount of interest payable shall be determined in accordance with Condition 4(b)(iii).

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

- (I) the Floating Rate Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day in the month in which such date would have fallen had it not been subject to adjustment;
- (II) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day;
- (III) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;
or

(IV) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

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

If the applicable Issue Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(i) below is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Issue Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(i) below is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

(i) *Rate of Interest*

(I) Fixed Rate Notes

The Rate of Interest payable from time to time in respect of Fixed Rate Notes will be specified in the applicable Issue Terms.

If specified in the applicable Issue Terms, the amount of interest payable on each Interest Payment Date in respect of its related Interest Period will amount to the Fixed Coupon Amount.

Payments of interest on any Interest Payment Date will, if so specified in the applicable Issue Terms, amount to the Broken Amount so specified.

(II) Floating Rate Notes

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Issue Terms. Unless otherwise specified in the applicable Issue Terms, if the Rate of Interest for the relevant Interest Period is a negative number, it shall be deemed to be zero.

(1) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Issue Terms as the manner in which the Rate of Interest is to be determined and subject as provided below, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Issue Terms) the Margin (if any). For the purposes of this paragraph (1), “**ISDA Rate**” for an Interest Period means a rate (as determined by the Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, or, if specified in the applicable Issue Terms, the Calculation Agent (the “**Interest Determination Agent**”)) equal to the Floating Rate that would be determined by the Interest Determination Agent under an interest rate swap transaction if the Interest Determination Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the

Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”), and under which:

- (A) the Floating Rate Option is as specified in the applicable Issue Terms;
- (B) the Designated Maturity is a period specified in the applicable Issue Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Issue Terms.

For the purposes of this paragraph (1), “**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

(2) Screen Rate Determination for Floating Rate Notes

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

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Issue Terms) the Margin (if any), all as determined by the Interest Determination Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Interest Determination Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Interest Determination Agent shall request each of the Reference Banks to provide the Interest Determination Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Interest Determination Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Interest Determination Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Interest Determination Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Interest Determination Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Interest Determination Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR); the Euro-zone inter-bank market (if the Reference Rate is EURIBOR); the Hong Kong inter-bank market (if the Reference Rate is HIBOR); the Singapore inter-bank market (if the Reference Rate is SIBOR) or the inter-bank market of the Relevant Financial Centre (in the case of any other Reference Rate), plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Interest Determination Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for the purpose) informs the Interest Determination Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR); the Euro-zone inter-bank market (if the Reference Rate is EURIBOR); the Hong Kong inter-bank market (if the Reference Rate is HIBOR); the Singapore inter-bank market (if the Reference Rate is SIBOR) or the inter-bank market of the Relevant Financial Centre (in the case of any other Reference Rate), plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In respect of Exempt Notes, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, HIBOR or SIBOR, the Rate of Interest in respect of such Notes may alternatively be determined as provided in the applicable Pricing Supplement.

(III) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Issue Terms, the Rate of Interest for such Interest Period shall be calculated by the Interest Determination Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Issue Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Issue Terms), one

of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided that, if there is no rate available for a period of time next shorter or, as the case may be, longer, then the Interest Determination Agent shall determine such rate at such time and reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(IV) Structured Rate Notes

If, in respect of Exempt Notes, the applicable Pricing Supplement specifies that the Notes are Structured Rate Notes, the Rate of Interest payable from time to time in respect of such Notes will be determined in the manner specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, if the Rate of Interest for the relevant Interest Period is a negative number, it shall be deemed to be zero.

(ii) *Determination of Rate of Interest*

The Agent or, as applicable the Registrar, in the case of Floating Rate Notes, or the Calculation Agent, if specified in the applicable Issue Terms, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. If the Rate of Interest for the relevant Interest Period is determined by the Calculation Agent, the Calculation Agent will notify the Agent of such Rate of Interest as soon as practicable after calculating the same.

(iii) *Calculation of Interest Amounts*

The Agent or, as applicable, the Registrar, in the case of Fixed Rate Notes (unless the applicable Issue Terms specifies that either a Fixed Coupon Amount or a Broken Amount shall be payable on an Interest Payment Date) or Floating Rate Notes, or the Calculation Agent, if specified in the applicable Issue Terms, will calculate the amount of interest (the **“Interest Amount”**) payable on the Notes per Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such amount by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Notes are specified in the applicable Issue Terms to be Alternate Currency Notes, the amount referred to above as the Interest Amount and determined as provided above shall be converted into the Payment Currency at the relevant FX Rate on the FX Valuation Date specified in relation thereto in the applicable Issue Terms and such converted amount shall be the Interest Amount as otherwise used herein.

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. If the Interest Amount payable on the Notes per Calculation Amount for the relevant Interest Period or other applicable period is determined by the Calculation Agent, the Calculation Agent will notify the

Agent of such Interest Amount as soon as practicable after calculating the same.

(iv) *Notification of Rate of Interest and Interest Amounts for Floating Rate Notes*

In respect of Floating Rate Notes or if so specified in the applicable Issue Terms, the Agent, the Registrar or, if applicable, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination, but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Notes are for the time being listed and to the Noteholders in accordance with Condition 13.

(v) *Certificates to be final*

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

(c) *Accrual of interest*

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(d) *References to interest*

References to interest (or other amounts payable in excess of the amount subscribed for Notes) in these General Terms and Conditions are to payments by the Issuer of amounts for the use of the sum subscribed for Notes and as compensation for the risk that, as the case may be, the amount repayable on Notes may be less than the sum subscribed or the amount payable as interest on Notes may be reduced to zero

in certain circumstances. For the avoidance of doubt, where the amount of any interest payable on the Notes (or any other amount payable in excess of the amount subscribed for Notes) is calculated by reference to another asset, the interest (or other amount) payable represents a return on the Notes rather than on the referenced asset.

5 PAYMENTS

(a) *Method of payment*

Subject as provided below:

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

Payments will be subject in all cases to (i) any fiscal or other laws, regulations and directives applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof or any law implementing an intergovernmental approach thereto.

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

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

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

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

Upon the date on which any Long Maturity Note or any Note that is not a Fixed Rate Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

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

(c) *Payments in respect of Bearer Global Notes*

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

(d) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Note Certificate representing such Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on (i) the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date, in the case of Definitive Registered Notes, or (ii) the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January, in the case of Registered Global Notes. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency),

payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on (i) the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date, in the case of Definitive Registered Notes, or (ii) the Clearing System Business Day immediately prior to the date for payment, in the case of Registered Global Notes (each such date, the “**Record Date**”), at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or instalment of principal in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the nominal amount of such Registered Note.

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

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Notes Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream,

Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

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

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, then the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

(g) *Interpretation of principal or nominal*

Any reference in these General Terms and Conditions to “**principal**” or “**nominal**” in respect of the Notes shall be deemed to include, as applicable:

- (i) the Final Redemption Amount of the Notes;
- (ii) the Early Redemption Amount of the Notes;
- (iii) the Optional Redemption Amount(s) (if any) or Optional Reduction Amount(s) (if any) of the Notes;
- (iv) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

6 GENERAL PROVISIONS RELATING TO REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Issue Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for tax reasons

In the event that the Calculation Agent determines that a Tax Event has occurred, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than the Minimum Period and not more than the Maximum Period (if any) of notice specified in the applicable Issue Terms to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable).

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption or pro rata reduction of principal at the option of the Issuer (Issuer Call)

(i) If Issuer Call is specified in the applicable Issue Terms, the Issuer may, having given not less than the Minimum Period and not more than the Maximum Period (if any) of notice specified in the applicable Issue Terms to the Noteholders and to any stock exchange on which the relevant Notes are for the time being listed in accordance with Condition 13 and, not less than two days before the giving of such notice to the Noteholders and to any such stock exchange, has given notice to the Agent and, in the case of a redemption of Registered Notes, the Registrar (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Issue Terms or, in the case of Exempt Notes, determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount that is (A) equal to or greater than the Minimum Redemption Amount and (B) equal to or less than the Maximum Redemption Amount, in each case, if applicable and as specified in the applicable Issue Terms.

(ii) In the case of a redemption of some but not all Notes, where such Notes are in the form of Definitive Bearer Notes or Definitive Registered Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot (in such place as the Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, may approve and in such manner as the Agent or, as applicable, the Registrar, shall deem to be appropriate and fair) not more than 60 days prior to the date fixed for redemption and a list of the Notes called for redemption will be given in accordance with Condition 13 not less than 30 days prior to such date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of a redemption of some but not all Notes which are represented by a Global Note, the relevant Notes to be redeemed will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC.

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global

Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6(c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

- (iii) If Issuer Call and Pro Rata Reduction are specified as applicable in the applicable Issue Terms, the Issuer may, having given not less than the minimum period and not more than the maximum period (if any) of notice specified in the applicable Issue Terms to the Noteholders and to any stock exchange on which the relevant Notes are for the time being listed in accordance with Condition 13 and not less than two days before the giving of such notice to the Noteholders and to any such stock exchange has given notice to the Agent and, in the case of a redemption of Registered Notes, the Registrar (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem a stated nominal amount of each Note then outstanding on any Optional Reduction Date by payment of the Optional Reduction Amount(s) specified in the applicable Issue Terms or, in respect of Exempt Notes, determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Reduction Date and the Calculation Agent shall make such other amendments as it determines appropriate to the Final Redemption Amount, the Calculation Amount and/or any of the other relevant provisions of the Conditions to account for such partial redemption and Pro Rata Reduction.

(d) *Redemption at the option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Issue Terms, upon the holder of any Note giving to the Issuer and to any stock exchange on which the relevant Notes are for the time being listed in accordance with Condition 13 not less than the Minimum Period and not more than the Maximum Period (if any) of notice specified in the applicable Issue Terms, the Issuer will, upon the expiry of such notice, redeem, in accordance with the terms specified in the applicable Issue Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. If Adjustment for Hedging Costs is specified in the applicable Issue Terms, the Optional Redemption Amount will be adjusted to take account of any Hedging Costs. Registered Notes may be redeemed under this Condition 6(d) in any multiple of their Calculation Amount.

If this Note is in the form of a Definitive Note, to exercise the right to require redemption of this Note, the holder of this Note must deliver such Definitive Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar, (a **"Put Notice"**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes represented by the Definitive Registered Note so surrendered is to be redeemed, an address to which a new Definitive Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in the form of a Definitive Note, the Put Notice must be accompanied by this Definitive Note or evidence satisfactory to the Paying Agent concerned that this Definitive Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Definitive Note pursuant to this Condition 6(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default shall have occurred and be continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6(d) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) Early Redemption Amounts

For the purpose of Condition 6(b) and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note (other than a Zero Coupon Note) either (A) (i) at the amount specified in the applicable Issue Terms or (ii) where the Notes are Alternate Currency Notes, the Early Redemption Amount per Calculation Amount will be determined by converting the Specified Amount specified in the applicable Issue Terms into the Payment Currency at the FX Rate on the FX Valuation Date specified in the applicable Issue Terms and the amount so converted will be the Early Redemption Amount per Calculation Amount or, (iii) in the case of Exempt Notes, determined in the manner specified in, the applicable Pricing Supplement or (B) otherwise, an amount determined to be the fair market value of such Note on such day as the Calculation Agent shall select, all as determined by the Calculation Agent, and, for the purposes of determining the fair market value of such Note for the purposes of Condition 9, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes; or
- (ii) in the case of a Zero Coupon Note, at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price; and

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is the Day Count Fraction specified in the applicable Issue Terms which will either be (i) 30/360 (in which case, the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of will be 360), (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of will be 365),

provided that, in each case, if Adjustment for Hedging Costs is specified in the applicable Issue Terms, the Early Redemption Amount will be adjusted to take account of any Hedging Costs.

(f) Instalments

Exempt Notes which are Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6(e).

(g) Purchases

The Issuer or any subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(h) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6(g) (together with, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(i) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), Condition 6(b), Condition 6(c) or Condition 6(d) or upon its becoming due and repayable as provided in Condition 7 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount calculated as provided in Condition 6(e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent in the case of Bearer Notes or the Registrar in the case of Registered Notes and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(j) Hedging Costs

For the purposes of this Condition 6, "**Hedging Costs**" means, in respect of the Early Redemption Amount or Optional Redemption Amount (as the case may be and each a "**Relevant Redemption Amount**"), (A) the losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant Redemption Amount will be adjusted downward to the extent of such losses, expenses and costs, provided that the Relevant Redemption Amount shall not be less than zero) or (B) the gain (in which case the Relevant Redemption Amount will be adjusted upward to the extent of such gain), as the case may be, to the Issuer and/or any of its Affiliate of unwinding, terminating, liquidating, adjusting, obtaining, replacing or re-establishing any underlying or related hedging arrangements (including, but not limited to, any options or selling or otherwise realising any instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

7 TAXATION

The Issuer is not obliged to gross up or otherwise increase any payment in respect of any Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note, and all payments made by the Issuer shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. To the extent that the Final Redemption Amount exceeds the Issue Price, the excess represents a commercial rate of return in compensation for the use of the Issue Price in full recognition of the risks and specific features of the associated underlying assets.

8 PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

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

9 EVENTS OF DEFAULT

If any one or more of the following events (each, an “**Event of Default**”) shall occur and be continuing:

- (a) if default is made in the payment of any principal or interest or delivery of any Asset Amount due in respect of the Notes or any of them and the default continues for a period of 45 days after the due date;
- (b) if the Issuer fails to perform or observe any one or more of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of written notice requiring the same to be remedied; or
- (c) if an order is made or an effective resolution passed for winding up the Issuer, except for the purpose of a reconstruction or amalgamation and the entity resulting from such reconstruction or amalgamation assumes all the rights and obligations, as the case may be, of the Issuer (including its obligations under the Notes),

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent or the Registrar, as the case may be, effective upon the date of receipt thereof by the Agent or the Registrar, as the case may be, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment, without presentment, demand, protest or other notice of any kind.

10 REPLACEMENT OF NOTES, NOTE CERTIFICATES, RECEIPTS, COUPONS AND TALONS

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

11 AGENT, REGISTRAR, OTHER PAYING AGENTS AND CALCULATION AGENT

- (a) The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below if this is a Bearer Note or the name and initial specified office of the initial Registrar are set out below if this is a Registered Note.

The Issuer is entitled to vary or terminate the appointment of the Registrar or any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) there will at all times be an Agent and a Paying Agent, which may be the Agent;
- (ii) while the Notes are listed on any stock exchange or admitted to listing by any other relevant authority and are in definitive form, it will at all times maintain a Paying Agent having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange or such other relevant authority;
- (iii) there will at all times be a Registrar and Transfer Agent in respect of Registered Notes which, so long as Registered Notes are listed on any stock exchange or admitted to listing by any other relevant authority, will have a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (iv) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and
- (v) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with or introduced in order to conform to such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(e). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

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

- (b) In relation to each issue of Notes where there is a Calculation Agent (whether it be the Issuer or a third party), it acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with the Noteholders.

All calculations, determinations, selections, elections and opinions made by the Calculation Agent shall (save in the case of manifest error) be made in good faith and in its sole and absolute discretion and shall be final, conclusive and binding on the Issuer, the Paying Agents and the Noteholders. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

In exercising its discretion as described above, the Calculation Agent or such third party may take into account such factors as it determines appropriate in each case,

which may include, in particular, any circumstances or events which have or may have a material impact on the hedging arrangements entered into by the Issuer and/or any of its Affiliates and/or any other relevant party (each a “**Relevant Party**”) in respect of the Notes. The exercise of the Calculation Agent’s or such third party’s discretion in respect of the Notes as provided herein is necessary because certain circumstances or events (for example a material modification or disruption to a relevant asset(s) to which the Notes are linked) may occur subsequent to the issuance of the Notes which may materially affect the costs to the Relevant Party of maintaining the Notes or any relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Notes. In addition, as a result of certain circumstances or events (e.g. unavailability or disruption to any reference source) it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of any relevant asset(s) to which the Notes are linked or otherwise in connection with the Notes to be made, thus making it necessary for the Calculation Agent or such third party to exercise its discretion in such a case.

The Calculation Agent or such third party will employ the methodology described in the Conditions to determine amounts payable or deliverable in respect of the Notes. When making any such determination in relation to any amounts so payable or deliverable, the Calculation Agent or such third party may in its sole and absolute discretion consider any relevant information, which may but is not required to include, without limitation, one or more of the following:

- (i) quotations (either firm or indicative) supplied by one or more third parties or information sources;
- (ii) information consisting of relevant market data in the relevant markets supplied by one or more third parties or information sources including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or
- (iii) information of the types described in (a) or (b) above from internal sources (including any Affiliate of the Calculation Agent) or other information of a type used by the Calculation Agent or such third party in the regular course of its business or in connection with similar transactions.

Whenever the Calculation Agent or such third party is required to make any determination it may, inter alia, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent or such third party in the performance or exercise of any of its obligations or discretions under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion.

12 EXCHANGE OF TALONS

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

13 NOTICES

- (a) All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of

the first publication or, where required to be published in more than one newspaper, on the date of the first publication.

All notices to holders of Registered Notes will be deemed validly given if mailed to their registered addresses appearing on the Register. Any such notice shall be deemed to have been given on the third day after the day on which it was mailed. In addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, a copy of such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication as described above the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

- (b) Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relevant Note or Notes, with the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), as the case may be. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose. Any such notice shall be deemed to have been given on the day when delivered or if delivered after 5.00 p.m. in the place of location of the Issuer on an Issuer Business Day, will be deemed effective on the next following Issuer Business Day.

14 MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Notes Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Notes Agency Agreement) of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Notes Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the Asset Amount or the Rate of Interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

- (a) any modification (except as mentioned above) to the Notes, the Receipts, the Coupons or the Notes Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification to the Notes, the Receipts, the Coupons or the Notes Agency Agreement which is of a formal, minor or technical nature, or is made to correct a manifest or proven error, to cure, correct or supplement a defective provision contained herein or therein or to comply with mandatory provisions of law.

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

15 FURTHER ISSUES

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

16 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

17 GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing Law*

The Notes Agency Agreement, the SCB Notes Deed of Covenant, the SCBHK Notes Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) *Submission to Jurisdiction*

Where the Issuer is SCBHK, SCBHK agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity) and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons (a “**Dispute**”) and accordingly each of the Issuer and any Noteholder, Receiptholder or Couponholder in relation to any Dispute, submits to the exclusive jurisdiction of the English courts.

Where the Issuer is SCBHK, SCBHK hereby irrevocably waives any objection to the English courts on the grounds that they are in an inconvenient or inappropriate forum to settle any disputes and hereby further irrevocably agrees that a judgment in relation to any such Dispute shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

To the extent allowed by law, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with competent jurisdiction and/or (ii) concurrent proceedings in any number of jurisdictions.

(c) *Appointment of Process Agent*

Where the Issuer is SCBHK, SCBHK appoints SCB at its principal office in London at 1 Basinghall Avenue, London EC2V 5DD as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of SCB at its principal office in London being unable or unwilling for any reason so to act, it will appoint another person as its agent for service of process in England in respect of any Dispute. SCBHK agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) *Other Documents*

Where the Issuer is SCBHK, SCBHK has in the Notes Agency Agreement and the SCBHK Notes Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

ANNEX C

CREDIT TERMS (2014 ISDA CREDIT DERIVATIVES DEFINITIONS VERSION)

Interpretation

*If specified as applicable in the applicable Issue Terms of the Notes, the terms and conditions applicable to the Credit Linked Notes shall comprise the General Terms and Conditions of the Notes under the Programme (the “**Notes Conditions**”) and the Credit Terms (2014 ISDA Credit Derivatives Definitions Version) set out below (the “**Credit Terms**”), in each case subject to completion by the applicable Final Terms or, in respect of Exempt Notes, completion and/or amendment by the applicable Pricing Supplement. In the event of any inconsistency between the Notes Conditions and the Credit Terms, the Credit Terms shall prevail. In the event of any inconsistency between (i) the Notes Conditions and the Credit Terms and (ii) the applicable Issue Terms, the applicable Issue Terms shall prevail. In respect of the Notes, references in the Credit Terms to (i) “Securities” are to the Notes and “Exempt Securities” are to Exempt Notes, (ii) “Securityholders” are to the Noteholders, (iii) “General Condition” or “General Conditions” are to the Notes Conditions, (iv) “these Terms and Conditions” or “Conditions” are to the Notes Conditions as amended and/or supplemented by the Credit Terms and (v) “Relevant Agents” are to the Paying Agents and the Registrar (as applicable).*

*If specified as applicable in the applicable Pricing Supplement of the Certificates, the terms and conditions applicable to the Credit Linked Certificates shall comprise the General Terms and Conditions of the Certificates under the Programme (the “**Certificates Conditions**”) and the Credit Terms as defined above, in each case subject to completion and/or amendment in the applicable Pricing Supplement. In the event of any inconsistency between the Certificates Conditions and the Credit Terms, the Credit Terms shall prevail. In the event of any inconsistency between (i) the Certificates Conditions and the Credit Terms and (ii) the applicable Pricing Supplement, the applicable Pricing Supplement shall prevail. In respect of the Certificates, references in the Credit Terms to (i) “Securities” and “Exempt Securities” are to Certificates, (ii) “Securityholders” are to the holders of the Credit Linked Certificates, (iii) “General Condition” or “General Conditions” are to the Certificates Conditions, (iv) “these Terms and Conditions” or “Conditions” are to the Certificates Conditions as amended and/or supplemented by the Credit Terms and (v) “Relevant Agents” are to the Principal Certificate Agent and any other Certificate Agent (as applicable).*

In the case of Securities for which more than one Reference Entity is specified in the applicable Issue Terms, all references to “the Reference Entity” herein shall be construed to refer to the Reference Entity in respect of which the relevant determination falls to be made at any relevant time and all related provisions and determinations will be construed accordingly.

For the avoidance of doubt no Securities will be considered frustrated, or otherwise void or voidable (whether for mistake or otherwise), solely because:

- (i) any relevant Reference Entity does not exist on, or ceases to exist on or following, the Trade Date; and/or
- (ii) Obligations, Deliverable Obligations or the Reference Obligation do not exist on, or cease to exist on or following, the Trade Date.

Cash Settlement

(i) *If the Securities are not Auction Settled Securities:*

If the Securities are Cash Settled Securities and if a Credit Event Determination Date has occurred, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Securityholders as soon as practicable in accordance with the General Conditions, and, subject to these Credit Terms, in particular paragraph **Error! Reference source not found.** (**Error! Reference source not found.**) below, redeem all but not some only of the Securities on the Credit Event Redemption Date at, in respect of the Calculation Amount, the Credit Event Redemption Amount (which Credit Event Redemption Amount will, if “Adjustment for Hedging Costs” is specified in the applicable Issue Terms, be subject to adjustment to account for any Hedging Costs).

Notwithstanding that the Securities are not Auction Settled Securities and notwithstanding anything else to the contrary contained herein, if the Calculation Agent determines that (a) an Auction has taken, or is expected to take, place in respect of the relevant Reference Entity to value obligations of the same seniority as the Reference Obligation and (b) the Auction Final Price Determination Date falls, or is expected to fall, on or before the sixtieth (60th) Business Day after the relevant Credit Event Determination Date, the Calculation Agent may elect that the Auction Final Price as so determined pursuant to such Auction shall be deemed to be the Final Price hereunder in respect of such Reference Entity, in which case, the definitions of Valuation Method, Valuation Date, Quotation, Quotation Method and Quotation Amount shall not apply in respect of such Reference Entity and/or Reference Obligation, and the Calculation Agent may make such amendments to the Conditions as it determines appropriate to reflect the change in the determination of the Final Price provided, however that, if the Calculation Agent has so elected but no appropriate Auction Final Price is determined within such time frame, the Calculation Agent may reverse such election and make such amendments to the Conditions as it determines appropriate to reflect such reversal.

(ii) *If the Securities are Auction Settled Securities:*

If the Securities are Auction Settled Securities and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Securityholders as soon as practicable in accordance with the General Conditions, and, subject to these Credit Terms, in particular paragraph **Error! Reference source not found.** (**Error! Reference source not found.**) below, redeem all but not some only of the Securities on the Auction Settlement Date at, in respect of the Calculation Amount, the Auction Cash Settlement Amount (which Auction Cash Settlement Amount will, if “Adjustment for Hedging Costs” is specified as applicable in the applicable Issue Terms, be subject to adjustment to account for any Hedging Costs).

Notwithstanding the above, if a Fallback Settlement Method Event occurs:

- (A) if “Cash Settlement” is specified as the applicable Fallback Settlement Method in the applicable Issue Terms, then, notwithstanding that the Securities are Auction Settled Securities, these Terms and Conditions shall apply in respect of such Credit Event as if the Securities were Cash Settled Securities and the Issuer shall redeem the Securities in accordance with paragraph **Error! Reference source not found.**; and
- (B) if “Physical Settlement” is specified as the applicable Fallback Settlement Method in the applicable Issue Terms, then, notwithstanding that the Securities are Auction Settled Securities, these Terms and Conditions shall apply in respect of such Credit Event as if the Securities were Physically Settled Securities and the Issuer shall

redeem the Securities in accordance with paragraph **Error! Reference source not found.** (**Error! Reference source not found.**) below.

If no Fallback Settlement Method is specified in the applicable Issue Terms, "Physical Settlement" shall be deemed to be specified in the applicable Issue Terms as the applicable Fallback Settlement Method.

If a Credit Event Determination Date has occurred and the Securities become redeemable in accordance with this paragraph Error! Reference source not found., upon payment of the Credit Event Redemption Amount or Auction Cash Settlement Amount (as applicable) in respect of the Securities, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount or Auction Cash Settlement Amount (as applicable) may be less than the Calculation Amount of a Security. Any shortfall shall be borne by the Securityholder and no liability shall attach to the Issuer.

2 Physical Settlement

If the Securities are Physically Settled Securities, a Credit Event Determination Date has occurred and the Calculation Agent delivers a Calculation Agent Physical Settlement Notice that is effective on or prior to the PSN Cut-off Date, the Issuer shall give notice (such notice a "Physical Settlement Notice") to the Securityholders as soon as practicable in accordance with the General Conditions, and, subject to these Credit Terms, in particular paragraph **Error! Reference source not found.** (**Error! Reference source not found.**) below, redeem all but not some only of the Securities by, in respect of each Calculation Amount, Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with paragraph **Error! Reference source not found.** (**Error! Reference source not found.**) below. For this purpose, the relevant Asset Package, if applicable, will be deemed to be a Deliverable Obligation and the composition of the Asset Package and the Asset Amount in respect of each nominal amount of Notes equal to the Calculation Amount or each Certificate, as the case may be, will be determined by reference to the relevant Prior Deliverable Obligation or Package Observable Bond specified in the relevant Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable. Where appropriate the Calculation Agent may make any adjustment in relation to the provisions for physical delivery and determination of the Asset Amount to take account of the relevant Asset Package.

If "Adjustment for Hedging Costs" is specified as applicable in the applicable Issue Terms, and:

- (i) if the Hedging Costs represent losses, expenses and costs incurred by the Issuer, then, the Issuer will deduct from the Asset Amount such Outstanding Principal Balance or Due and Payable Amount, as the case may be, of Deliverable Obligations with a Liquidated Value of not less than such Asset Amount's *pro rata* share of such Hedging Costs and the Delivery by the Issuer of such reduced Asset Amount (and the amount of any excess of such Liquidated Value (if any) over such Asset Amount's *pro rata* share of such Hedging Costs which will be payable by the Issuer with delivery of the relevant Asset Amount) shall be deemed to satisfy and discharge in full the obligation of the Issuer to the Securityholder in respect of the relevant Asset Amount; or
- (ii) if the Hedging Costs represent a gain to the Issuer, the Securityholder will receive a payment from the Issuer being such Securityholder's *pro rata* share of such gain in respect of such Hedging Costs with the delivery of any Asset Amount by the Issuer.

In the Physical Settlement Notice, the Issuer shall specify (i) each Deliverable Obligation comprising the Asset Amount that it reasonably expects to Deliver and (ii) if "Adjustment for

Hedging Costs” is specified in the applicable Issue Terms, whether any Hedging Costs representing losses, expenses and costs incurred by the Issuer will be accounted for in the manner described in paragraph **Error! Reference source not found.** For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

If "Mod R" is specified as applicable in the applicable Issue Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date in each case as of each such date as the Calculation Agent determines relevant in the context of the Securities, which dates may include any relevant dates for purposes of the Hedging Arrangements (if any).

If "Mod Mod R " is specified as applicable in the applicable Issue Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date, in each case, as of each such date as the Calculation Agent determines relevant in the context of the Securities, which dates may include any relevant dates for purposes of the Hedging Arrangements (if any). For the purposes of this paragraph only and notwithstanding the foregoing, 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.

The Issuer may, from time to time, amend a Physical Settlement Notice by notifying the Securityholders in accordance with the General Conditions (each such notification, a **“Physical Settlement Amendment Notice”**) that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such Physical Settlement Amendment Notice is effective) or any relevant details thereof. A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer reasonably expects to Deliver to or to the order of the Securityholders (each, a **“Replacement Deliverable Obligation”**) and shall also specify the Outstanding Principal Balance or Due and Payable Amount (determined on the same basis as specified in the definition of Asset Amount) of each Deliverable Obligation identified in the Physical Settlement Notice or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced or the equivalent Currency Amount of any such amount (with respect to each such Deliverable Obligation, the **“Replaced Deliverable Obligation Outstanding Amount”**). The equivalent Currency Amount of the Outstanding Principal Balance or Due and Payable Amount of each Replacement Deliverable Obligation identified in a Physical Settlement Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. The Replacement Deliverable Obligation(s), taken together, shall have an aggregate Replaced Deliverable Obligation Outstanding Amount at least equal to the Outstanding Principal Balance(s) and/or Due and Payable Amount(s) (or the equivalent Currency Amount(s) of any such amount(s)) of the Deliverable Obligations being replaced. Each such Physical Settlement Amendment Notice must be

effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice).

Notwithstanding the foregoing, (i) the Issuer may correct any errors or inconsistencies in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, by notice to Securityholders in accordance with the General Conditions prior to the relevant Delivery Date; and (ii) if Asset Package Delivery is applicable, the Issuer shall on the PSN Effective Date, or as soon as reasonably practicable thereafter (but in any case, prior to the Delivery Date), notify the Securityholders (in accordance with the General Conditions) of the detailed description of the Asset Package, if any, that the Issuer will Deliver in lieu of the Prior Deliverable Obligation or Package Observable Bond, if any, specified in the Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable, it being understood in each case that any such notice of correction shall not constitute a Physical Settlement Amendment Notice.

If a Credit Event Determination Date has occurred and the Securities become redeemable in accordance with this paragraph Error! Reference source not found., upon Delivery of the Deliverable Obligations and/or payment of the Partial Cash Settlement Amount or the Auction Cash Settlement Amount (or any other amounts payable in accordance with paragraphs Error! Reference source not found. or Error! Reference source not found.), as the case may be, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount or the Auction Cash Settlement Amount (or any other amounts payable in accordance with paragraphs 6 or 7 below), as the case may be, may be less than the Calculation Amount of a Security. Any shortfall shall be borne by the Securityholder and no liability shall attach to the Issuer.

3 Repudiation/Moratorium Extension

Where a Credit Event Determination Date has not occurred on or prior to the Maturity Date or any Interest Payment Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Maturity Date or any Interest Payment Date or, if paragraph 6 (*Deferral of Certain Dates*) below applies, the Deferred Maturity Date or the Deferred Interest Payment Date (each as defined in paragraph 6 below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium will, in the determination of the Calculation Agent, fall after, as applicable, the Maturity Date, such Interest Payment Date, the Deferred Maturity Date or such Deferred Interest Payment Date, then the Calculation Agent shall notify the Securityholders in accordance with the General Conditions that a Potential Repudiation/Moratorium has occurred and the maturity of the Securities and/or relevant interest payment will be delayed and:

- (i) in relation to such event as of the Maturity Date or Deferred Maturity Date, where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
 - (a) each nominal amount of Notes equal to the Calculation Amount or each Certificate, as the case may be, will be redeemed by the Issuer by payment of the Final Redemption Amount on the third Business Day following the Repudiation/Moratorium Evaluation Date (the “**Repudiation/Moratorium Deferred Maturity Date**”); and
 - (b) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest (if any), calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the applicable Issue Terms as being the Interest Payment Dates, be the Maturity Date), but shall only be obliged to make such payment of interest on

the Repudiation/Moratorium Deferred Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred, the provisions of paragraph **Error! Reference source not found. (Error! Reference source not found.)** or **Error! Reference source not found. (Error! Reference source not found.)** above, as applicable, shall apply to the Securities; or
- (iii) in relation to such event as of an Interest Payment Date or Deferred Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on such Interest Payment Date or Deferred Interest Payment Date. In this case where (a) a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date then the relevant amount of interest shall be payable on the third Business Day following the Repudiation/Moratorium Evaluation Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; (b) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be determined in accordance with paragraph 12 and may be zero and will be payable on the third Business Day following the applicable Repudiation/Moratorium Evaluation Date, or (c) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date but a Credit Event Determination Date has not occurred thereafter, the relevant amount of interest will be payable on the third Business Day following the Calculation Agent's determination that a Credit Event Determination Date will not occur.

4 Grace Period Extension

If "Grace Period Extension" is specified as applicable in the applicable Issue Terms, the provisions of this paragraph **Error! Reference source not found.** shall apply.

If a Credit Event Determination Date has not occurred on or prior to the Maturity Date or any Interest Payment Date but, in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Maturity Date or relevant Interest Payment Date (and such Grace Period(s) is/are continuing as at that date), then the Calculation Agent shall notify the Securityholders in accordance with the General Conditions that a Potential Failure to Pay has occurred and that the maturity of the Securities and/or relevant interest payment will be delayed and:

- (i) in relation to such event as of the Maturity Date, where a Failure to Pay has not occurred on the Grace Period Extension Date:
 - (a) each nominal amount of Notes equal to the Calculation Amount or each Certificate, as the case may be, will be redeemed by the Issuer by payment of the Final Redemption Amount on the third Business Day following the Grace Period Extension Date (the "**Grace Period Deferred Maturity Date**"); and
 - (b) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the applicable Issue Terms as being the Interest Payment Dates, be the Maturity Date), but shall only be obliged to make such payment of interest on the Grace Period Deferred Maturity Date and no further or other amount in

respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (ii) where a Failure to Pay has occurred on the Grace Period Extension Date and a Credit Event Determination Date has occurred, the provisions of paragraph **Error! Reference source not found. (Error! Reference source not found.)** or **Error! Reference source not found. (Error! Reference source not found.)** above, as applicable, shall apply to the Securities; or
- (iii) in relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (a) a Failure to Pay has not occurred on the Grace Period Extension Date then the relevant amount of interest shall be payable on the third Business Day following the Grace Period Extension Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; (b) where a Failure to Pay has occurred on the Grace Period Extension Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be determined in accordance with paragraph 12 and may be zero and will be payable on the third Business Day following the applicable Grace Period Extension Date or (c) a Failure to Pay has occurred on or prior to the Grace Period Extension Date and a Credit Event Determination Date has not occurred thereafter the relevant amount of interest will be payable on the third Business Day following the Calculation Agent's determination that a Credit Event Determination Date will not occur.

5 Credit Derivatives Determinations Committee Extension

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its related determination on or prior to the Maturity Date or any Interest Payment Date then the Calculation Agent shall notify Securityholders in accordance with the General Conditions that redemption of the Securities and/or payment of the relevant amount of interest due on the relevant Interest Payment Date has been postponed to a date (the "**DC Determination Postponed Payment Date**") being the day falling five Business Days after (a) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred, fifteen (15) Business Days following the relevant DC Credit Event Announcement or (b) if the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred, the second Business Day following the relevant DC No Credit Event Announcement or, as applicable (c) fifteen (15) Business Days following the DC Credit Event Question Dismissal (the date of the relevant DC Credit Event Announcement, DC No Credit Event Announcement or DC Credit Event Dismissal, as applicable, the "**DC Determination Cut-off Date**"), and:

- (a) in the case of the Maturity Date, where a Credit Event has not occurred on or prior to the DC Determination Cut-off Date:
 - (1) each nominal amount of Notes equal to the Calculation Amount or each Certificate, as the case may be, will be redeemed by the Issuer at the Final Redemption Amount on the DC Determination Postponed Payment Date; and
 - (2) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the applicable Issue Terms as being the Interest Payment Dates, be the Maturity Date) but shall only be obliged to make such payment of interest on the DC Determination

Postponed Payment Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

- (b) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred, the provisions of paragraph 1 (*Cash Settlement*) or 2 (*Physical Settlement*) above, as applicable, shall apply to the Securities; or
- (c) in relation to such event as of an Interest Payment Date, the Calculation Agent may delay the relevant amount of interest which would otherwise be payable on the relevant Interest Payment Date. In this case where (i) a Credit Event has not occurred on or prior to the DC Determination Cut-off Date then the relevant amount of interest shall be payable on the DC Determination Postponed Payment Date but no additional interest will be payable in respect of the relevant delay and for the avoidance of doubt no amendment will be made to any Interest Period or basis of calculation of the relevant amount of interest, other than as described above; or (ii) where a Credit Event has occurred on or prior to the DC Determination Cut-off Date and a Credit Event Determination Date has occurred thereafter, the relevant amount of interest will be determined in accordance with paragraph 12 and may be zero.

6 Deferral of Certain Dates

The following provisions may, for the avoidance of doubt, be applied on more than one occasion.

Without prejudice to paragraph 5 (*Credit Derivatives Committee Extension*) above or 14 below (*Settlement Suspension*) below, if:

- (x) on (A) the Maturity Date, (B) if applicable, the Repudiation/Moratorium Evaluation Date, (C) if applicable, the Grace Period Extension Date, (D) the last day of the Notice Delivery Period or (E) the DC Determination Cut-off Date, as the case may be, a Credit Event Determination Date has not occurred but, in the opinion of the Calculation Agent, a Credit Event or (in respect of the Maturity Date only) Potential Credit Event (other than a Potential Repudiation/Moratorium) may have occurred; or
- (y) on the Maturity Date, a Credit Event Determination Date has not occurred but, in the determination of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred; or
- (z) (A) on any Interest Payment Date, a Credit Event Determination Date has not occurred but, in the determination of the Calculation Agent, a Credit Event or Potential Credit Event (other than a Potential Repudiation/Moratorium) may have occurred; or (B) on any Interest Payment Date, a Credit Event Determination Date has not occurred but, in the determination of the Calculation Agent, a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may (at its option) notify the Securityholders in accordance with the General Conditions that in the case of (x) or (y) above, redemption of the Securities and/or in the case of (z) above, payment of the relevant amount of interest due on the relevant Interest Payment Date, has been postponed and, as applicable, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period (which shall be postponed in the case of (x)(A), (x)(B) and (x)(C) as well as (x)(D) above) or the DC Determination Cut-off Date has been postponed to a date (such date, in the case of

an Interest Payment Date, the “**Deferred Interest Payment Date**”, or in each other case, the “**Deferred Maturity Date**”) specified in such notice falling 21 calendar days after, respectively, the Maturity Date, the relevant Interest Payment Date, the relevant Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the last day of the Notice Delivery Period or the DC Determination Cut-off Date, as the case may be and:

- (i) in the case of sub-paragraph (x) above and if a Credit Event Determination Date has not occurred on or prior to the Deferred Maturity Date or, in the case of sub-paragraph (y) or (z)(B) above, the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Deferred Maturity Date or the Deferred Interest Payment Date respectively or, in the case of sub-paragraph (z)(A) above, a Credit Event Determination Date has not occurred on or prior to the Deferred Interest Payment Date then:
 - (a) in the case of sub-paragraph (x) or (y) above and subject as provided below, each nominal amount of Notes equal to the Calculation Amount or each Certificate, as the case may be, will be redeemed by the Issuer by payment of the Final Redemption Amount on the Deferred Maturity Date; and
 - (b) in the case of sub-paragraph (x) or (y) above and in the case of interest bearing Notes, the Issuer shall be obliged to pay interest (if any) calculated as provided herein, accrued up to (but excluding) the final Interest Period Date (which will, if Interest Period Dates are specified in the applicable Issue Terms as being the Interest Payment Dates, be the Maturity Date), but shall only be obliged to make such payment of interest on the Deferred Maturity Date, and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
 - (c) in the case of a Deferred Interest Payment Date other than the Deferred Interest Payment Date falling on or about the Deferred Maturity Date, the Issuer shall be obliged to pay the relevant amount of interest on the Deferred Interest Payment Date and no further or other amounts in respect of interest shall be payable as a result of such delay; or
- (ii) in the case of:
 - (A) sub-paragraph (x) or sub-paragraph (z)(A) above, if a Credit Event Determination Date has occurred on or prior to the Deferred Maturity Date or relevant Deferred Interest Payment Date, the provisions of paragraph **Error! Reference source not found. (Error! Reference source not found.)** or **Error! Reference source not found. (Error! Reference source not found.)** above, as applicable, shall apply to the Securities; and
 - (B) sub-paragraph (y) or subparagraph (z)(B) above, if the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Deferred Maturity Date or Deferred Interest Payment Date, as applicable, the provisions of paragraph 3 (*Repudiation/Moratorium Extension*) above shall apply to the Securities.

7 Procedures for Physical Delivery

If any Credit Linked Securities are to be redeemed by delivery of the Asset Amount, either (i) any such Asset Amount shall be delivered to the Securityholders through the relevant Clearing System(s) without an Asset Transfer Notice being required, subject (where applicable) to certification that the relevant Securityholder is either (a) not a U.S. person or a person within the United States or (b) in certain circumstances, a QIB, or (ii) if the Calculation Agent determines that such Asset Amount cannot be delivered through the relevant Clearing System(s), prior to the Cut-off Date the Calculation Agent shall notify the Securityholders of

such fact in accordance with the General Conditions and shall specify the delivery details required for such delivery and, following such notification, in order to obtain delivery of the Asset Amount in respect of any Security:

- (i) if such Security is represented by a Global W&C Security (in the case of a Certificate) or a Global Note (in the case of a Note) (each a “**Global Security**”), the relevant Securityholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Issuer and not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; or
- (ii) if such Security is a Note in definitive form, the relevant Securityholder must deliver (i) if this Security is a Bearer Note, to any Paying Agent or (ii) if this is a Registered Note, to the Registrar or any Paying Agent, in each case with a copy to the Issuer and not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Relevant Agent.

An Asset Transfer Notice may only be delivered (i) if such Security is represented by a Global Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, which is expected to be by authenticated SWIFT message or tested telex or (ii) if such Security is in definitive form, in writing or by tested telex.

If the Security is in definitive form, the Security must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (1) specify the name and address of the relevant Securityholder and the details required for the delivery of the Asset Amount;
- (2) in the case of Securities represented by a Global Security, specify the nominal amount of Notes or the number of Certificates, as the case may be, which are the subject of such notice and the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Securities and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Securityholder's account with such Securities on or before the Physical Settlement Date;
- (3) include an undertaking to pay all Delivery Expenses and, in the case of Securities represented by a Global Security, an authority to debit a specified account of the Securityholder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Delivery Expenses;
- (4) specify an account to which any amounts payable pursuant to paragraph **Error! Reference source not found. (Error! Reference source not found.)** or any other cash amounts specified in these Terms and Conditions as being payable are to be paid; and
- (5) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear, Clearstream, Luxembourg or a Relevant Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the Securities which are the subject of such notice.

In the case of Securities represented by a Global Security, upon receipt of an Asset Transfer Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Securityholder is the holder of the specified nominal amount of Notes or the number of Certificates, as the case, may be, according to its records.

Failure to complete and deliver an Asset Transfer Notice properly may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Securities represented by a Global Security, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder and, in the case of Securities in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Securityholder.

Delivery of the Asset Amount in respect of each Security shall be made at the risk of the relevant Securityholder through the relevant Clearing System(s) as specified above or in such manner as the Calculation Agent shall notify to the Securityholders as described above. All Delivery Expenses arising from the delivery of the Asset Amount in respect of such Security shall be for the account of the relevant Securityholder and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Securityholder. The Issuer shall not be obliged to make or procure any delivery if to do so would breach any applicable securities or other laws.

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations comprising the Asset Amount, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations, or (iii) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

In relation to each Deliverable Obligation constituting the Asset Amount, the Issuer will, subject to paragraph **Error! Reference source not found. (Error! Reference source not found.)** below, Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on or prior to the Physical Settlement Date, provided that if all or some of the Deliverable Obligations included in the Asset Amount are (a) Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, until the date that is 30 calendar days after the Physical Settlement Date (in respect of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, the **"Final Delivery Date"**), or (b) Undeliverable Loan Obligations or Unassignable Obligations, then the Issuer shall continue to attempt to Deliver all or a portion of such Undeliverable Loan Obligations or Unassignable Obligations, as the case may be, until the date that is 15 Business Days after the Physical Settlement Date (in respect of such Undeliverable Loan Obligations or Unassignable Obligations, the **"Final Delivery Date"**),

provided further that:

- (i) if all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, (but

subject to paragraph **Error! Reference source not found.** in the case of Assignable Loans or Consent Required Loans) are not Delivered by the Final Delivery Date, the provisions of paragraph **Error! Reference source not found.** shall apply; or

- (ii) if all or a portion of the Deliverable Obligations included in the Asset Amount consist of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date, the provisions of paragraph **Error! Reference source not found.** shall apply.

If a Securityholder fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-Off Date specified in the applicable Issue Terms, the Issuer will, subject as provided above, deliver the Deliverable Obligations constituting the Asset Amount in respect of the relevant Securities as soon as practicable after the receipt of the duly completed Asset Transfer Notice, provided that if, in respect of a Security, a Securityholder fails to give an Asset Transfer Notice prior to the day falling 45 days after the Cut-Off Date, the Issuer's obligations in respect of such Securities shall be discharged and the Issuer shall have no liability in respect thereof.

Notwithstanding that the Securities are not Auction Settled Securities and notwithstanding anything set out in paragraph **Error! Reference source not found.** (**Error! Reference source not found.**) above or the foregoing provisions of this paragraph **Error! Reference source not found.**, if on or before the Physical Settlement Date the Calculation Agent determines that an Auction (in respect of the Reference Entity to which the Credit Event Notice relates) may take place on or before the sixtieth (60th) Business Day after the relevant Credit Event Determination Date, the Calculation Agent may elect in its sole and absolute discretion to postpone the Physical Settlement Date to any date determined by the Calculation Agent within the period of up to, and including, the date falling 60 Business Days after the Credit Event Determination Date. The Calculation Agent shall give notice of such election (such notice, an "**Auction Notice**") to the Securityholders in accordance with the General Conditions. If an Auction Notice has been given to the Securityholders and the Calculation Agent determines that (a) an Auction has taken, or is expected to take, place in respect of the relevant Reference Entity to value obligations of the same seniority as the Deliverable Obligations and (b) the date on which the Auction Final Price is, or is expected to be, determined pursuant to such Auction falls on or before the sixtieth (60th) Business Day after the Credit Event Determination Date, the Calculation Agent may further elect in its sole and absolute discretion that the Issuer redeems each nominal amount of Notes equal to the Calculation Amount or each Certificate, as the case may be, either (1) by payment of the Auction Cash Settlement Amount on the Auction Settlement Date in lieu of Delivering the relevant Deliverable Obligations (as specified in the Physical Settlement Notice or Physical Settlement Amendment Notice) or (2) by Delivery of the Deliverable Obligations comprising the Asset Amount (as specified in the Physical Settlement Notice or Physical Settlement Amendment Notice), in either case on the postponed Physical Settlement Date. The Calculation Agent shall give notice of such election to the Securityholders as soon as possible in accordance with the General Conditions.

8 Partial Cash Settlement

- (i) If all or a portion of the Deliverable Obligations included in the Asset Amount that are Undeliverable Obligations or Hedge Disruption Obligations or Undeliverable Loan Obligations or Unassignable Obligations are not Delivered by the Final Delivery Date (other than in respect of Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered on that day), the Issuer shall give notice (a "**Partial Cash Settlement Notice**") to the Securityholders in accordance with the General Conditions and the Issuer shall pay, in respect of each Undeliverable Obligation or Hedge Disruption Obligation or Undeliverable Loan Obligation or Unassignable Obligation, as the case may be, the

Partial Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if “Adjustment for Hedging Costs” is specified as applying in the applicable Issue Terms) on the Partial Cash Settlement Date.

In the Partial Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligations, as the case may be.

- (ii) If:
 - (a) “Partial Cash Settlement of Consent Required Loans” is specified as applicable in the applicable Issue Terms and all or a portion of the Deliverable Obligations comprising the Asset Amount consist of Consent Required Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date (each such Deliverable Obligation being an “**Undeliverable Loan Obligation**”); or
 - (b) “Partial Cash Settlement of Assignable Loans” is specified as applying in the applicable Issue Terms and all or a portion of the Deliverable Obligations comprising the Asset Amount consist of Assignable Loans that, due to the non-receipt of any requisite consents, are not capable of being Delivered by the Final Delivery Date (each such Deliverable Obligation being an “**Unassignable Obligation**”),

the Issuer shall give notice (a “**Partial Cash Settlement Notice**”) to the Securityholders in accordance with the General Conditions and the Issuer shall pay, in respect of each Undeliverable Loan Obligation or Unassignable Obligation, the Partial Cash Settlement Amount (adjusted to take account fully for any Hedging Costs, if “Adjustment for Hedging Costs” is specified as applicable in the applicable Issue Terms) on the Partial Cash Settlement Date.

For the avoidance of doubt, if neither “Partial Cash Settlement of Consent Required Loans” nor “Partial Cash Settlement of Assignable Loans” is specified as applicable in the applicable Issue Terms, and all of the Deliverable Obligations comprising the Asset Amount consist of Undeliverable Loan Obligations or Unassignable Obligations, as the case may be, then the Issuer shall have no further obligation to Deliver any Asset Amount or pay any Partial Cash Settlement Amount in respect of the Securities.

- (iii) If all or any part of the Asset Amount to be Delivered to a Securityholder is not a whole integral multiple of the smallest unit of transfer for any such Deliverable Obligation at the relevant time of Delivery, as determined by the Calculation Agent, the Issuer will Deliver and such Securityholder will only be entitled to receive the portion of the Asset Amount specified by the Calculation Agent which is closest to but less than the full Asset Amount, after consideration of such smallest unit or units of transfer (such portion of the Asset Amount that is not so Delivered, a “**Delivery Shortfall**”), and the Issuer will pay to such Securityholder in the Settlement Currency at the same time as such Delivery an amount in cash equal to the fair market value (if any) of such Delivery Shortfall, as determined by the Calculation Agent.

Unless otherwise specified in the applicable Pricing Supplement in respect of Exempt Securities, for the purposes of this paragraph **Error! Reference source not found.** the following terms are deemed to have the following meanings:

“**Indicative Quotation**” means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation equal to the Quotation Amount, which reflects such Quotation Dealer’s reasonable assessment of the

price of such Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates. Indicative Quotations shall be applicable only in the event that the provisions of this paragraph **Error! Reference source not found.** are applicable;

"Market Value" means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotations 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); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applicable in the applicable Issue Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph **Error! Reference source not found.** of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if the Quotations are deemed to be zero, the Market Value shall be zero.

"Partial Cash Settlement Amount" is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation, the aggregate of the greater of (i) the Outstanding Principal Balance or Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation multiplied by the Final Price with respect to each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation and (ii) zero, provided that where the relevant Undeliverable Obligation, Hedge Disruption Obligation, Undeliverable Loan Obligation or Unassignable Obligation, as the case may be, forms part of the Asset Package and the Calculation Agent determines in its sole discretion that a Final Price cannot reasonably be determined in respect of such Undeliverable Obligation, Hedge Disruption Obligation, Undeliverable Loan Obligation or Unassignable Obligation, then the Partial Cash Settlement Amount will be an amount calculated by the Calculation Agent in its sole discretion equal to the fair market value (determined at such time and by reference to such sources as the Calculation Agent considers appropriate and which, for the avoidance of doubt, may be zero) of the relevant Undeliverable Obligation, Hedge Disruption Obligation, Undeliverable Loan Obligation or Unassignable Obligation, as the case may be, less Hedging Costs;

"Partial Cash Settlement Date" is deemed to be the date falling three Business Days after the calculation of the Final Price;

"Quotation" means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applicable in the applicable Issue Terms, each Indicative Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable, of the relevant Undeliverable Obligation, Hedge Disruption Obligation, as the case may be, with respect to a Valuation Date in the manner that follows:

- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date), the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applicable in the applicable Issue Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (ii) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Issue Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be zero.
- (iii) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this determination.

“Quotation Amount” is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation an amount equal to at least the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation. For the purposes of this paragraph **Error! Reference source not found.**, there shall be deemed to be no Minimum Quotation Amount;

“Quotation Method” is deemed to be Bid;

“Reference Obligation” is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation;

“Valuation Method” is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case, “Valuation Method” is deemed to be Market;

“Valuation Time” is deemed to be 11:00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation; and

“Weighted Average Quotation” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or Hedge Disruption Obligation (as the case may be), Undeliverable Loan Obligation or Unassignable Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount that in the aggregate are approximately equal to the Quotation Amount.

9 Credit Event Notice after M(M)R Restructuring

If “Partial Redemption Following Restructuring” is specified as applicable in the applicable Issue Terms, then, notwithstanding anything to the contrary in these Terms and Conditions, upon the occurrence of an M(M)R Restructuring:

- (i) The Calculation Agent may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such Credit Event Notice setting forth an amount to which such Restructuring Credit Event applies (the “**Partial Redemption Amount**”) that may be less than the nominal amount outstanding of each Security immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of the Credit Terms shall be deemed to apply to the Partial Redemption Amount only and each such Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount) and where applicable, references in the Credit Terms to “the Calculation Amount” shall be interpreted to mean “the Partial Redemption Amount” accordingly.
- (ii) For the avoidance of doubt (i) only the nominal amount of each such Security not so redeemed in part shall remain outstanding, the Final Redemption Amount and any other relevant provisions of these Terms and Conditions shall be amended in such manner as the Calculation Agent determines to be appropriate to reflect such partial redemption and (in relation to Notes only) interest (if any) shall continue to accrue on the nominal amount outstanding of such Security as provided in Condition 4 (*Interest*) of the Notes Conditions (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate) and (ii) the provisions of the Credit Terms shall apply to such nominal amount outstanding of such Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (C) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable or deliverable to Securityholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Terms and Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this paragraph and (y) the effective date of such adjustment(s).
- (iii) If the provisions of this paragraph **Error! Reference source not found. (Error! Reference source not found.)** apply in respect of the Securities, on redemption of part of each such Security, the relevant Security or, if the Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such partial redemption.
- (iv) In addition, in the case of First to Default Credit Linked Notes, once a Credit Event Determination Date has occurred in respect of the First Reference Entity, where the Credit Event is a Restructuring Credit Event, no further Credit Event Notices may be delivered in respect of any other Reference Entity.

For the purposes of this paragraph **Error! Reference source not found. (Error! Reference source not found.)** and, for the purposes of the definition of Credit Event Determination Date set out in paragraph **Error! Reference source not found. (Error! Reference source not found.)** below, references to the nominal amount outstanding of each Security shall be deemed to be a reference to the amount of the Calculation Amount of each Certificate outstanding from time to time.

10 Provisions relating to Multiple Holder Obligation

If “Multiple Holder Obligation” is specified as applicable in the applicable Issue Terms, notwithstanding anything to the contrary in the definition of “Restructuring” and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs **Error! Reference source not found.** to **Error! Reference source not**

found. of the definition of “Restructuring” shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation, where “**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 requirements in sub-paragraph (ii) above.

11 **Redemption**

In respect of Securities that are Notes only, notwithstanding the provisions of the General Conditions, for the purpose of Condition 6(b) and Condition 9 in the Notes Conditions, the Early Redemption Amount in respect of each nominal amount of the Notes equal to the Calculation Amount will be determined by reference to the provisions in Condition 6(e) of the Notes Conditions, provided that if “Adjustment for Hedging Costs” is specified as applicable in the applicable Issue Terms, the Early Redemption Amount will be adjusted to take account of any Hedging Costs.

12 **Accrual of Interest**

In respect of Securities that are Notes only, notwithstanding the provisions of the General Conditions but subject to paragraphs 3, 4, 5 and 6 above, if:

- (i) “No Accrual of Interest upon Credit Event” is specified as being applicable in the applicable Issue Terms, no amount of interest will be payable in respect of an Interest Payment Date (and accordingly will be deemed not to have accrued) if the relevant interest payment (as the same may be deferred) has not become due and payable on or prior to the Credit Event Determination Date. Accordingly, if the Credit Event Determination Date falls prior to the first Interest Period Date, no interest shall accrue on the Notes; or
- (ii) “Partial Accrual of Interest upon Credit Event” is specified as being applicable in the applicable Issue Terms, each Note shall continue to bear interest up to (but excluding) the Credit Event Determination Date but shall cease to bear interest from (and including) the Credit Event Determination Date.

13 **Force Majeure and Merger Event**

If “Force Majeure Events” is specified as applying in the applicable Issue Terms, the following provisions in this paragraph **Error! Reference source not found.** shall apply:

(i) **Notice of Force Majeure Event**

The Issuer shall have the right to give notice in accordance with the General Conditions at any time to the Securityholders if it determines in good faith that any of the following events (each a “**Force Majeure Event**”) has occurred:

- (a) the performance of the Issuer’s obligations under the Securities has become unlawful in whole or in part as a result of compliance by the Issuer with any applicable present or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority (as defined below) or otherwise;
- (b) the performance of the Issuer’s obligations under the Securities is prevented or materially hindered or delayed due to either (1) any act, law, rule,

regulation, judgment, order, interpretation, directive, decree or material legislative or administrative interference of any Government Authority or otherwise, or (2) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the Issuer's control;

- (c) it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates, or the Issuer or any of its Affiliates are otherwise unable, (1) to convert the relevant currency (the "**Local Currency**") in which the relevant Reference Obligation or traded instruments or any options or futures contracts or other hedging assets or arrangements in relation to the Reference Entity (for the purposes of hedging the Issuer's obligations under the Securities) are denominated or settled, into the Specified Currency or exchange or repatriate any funds in the Local Currency or the Specified Currency outside of the country in which the relevant Reference Obligation or any options or futures contracts in relation to the Reference Obligation are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (2) to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Specified Currency for payment under the Securities;
- (d) it has become impracticable, illegal or impossible for the Issuer or any of its relevant Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Reference Obligation or any options or futures contracts in relation to the Reference Obligation in order for the Issuer to perform its obligations under the Securities or in respect of any relevant Hedging Arrangements or the costs of so doing would (in the determination of the Calculation Agent) be materially increased; or
- (e) any other event beyond the control of the Issuer has occurred which makes it impracticable, illegal or impossible for the Issuer to perform its obligations under the Securities or to hedge effectively its obligations under the Securities or the costs of so doing would (in the determination of the Calculation Agent) be materially increased.

(ii) Issuer's Option following a Force Majeure Event

If the Issuer decides to give notice to Securityholders of the occurrence of a Force Majeure Event pursuant to this paragraph **Error! Reference source not found.**, it shall state in such notice whether the Securities will be terminated pursuant to paragraph **Error! Reference source not found.** or whether the Issuer's obligations under the Securities will be suspended pursuant to paragraph 13(iv). If the Issuer elects to give notice to Securityholders of a suspension of its obligations under the Securities pursuant to paragraph 13(iv), the Issuer shall nevertheless retain the right at all times to terminate the Securities pursuant to paragraph **Error! Reference source not found.** by giving notice to Securityholders in accordance with the General Conditions.

(iii) Termination

Upon the Issuer's election to terminate the Securities as aforesaid, the Issuer will, in respect of each and every Security cause to be paid to the Securityholder an amount determined to be the fair market value of the Security as at termination (which may be nil) taking into consideration all information which the Calculation Agent deems relevant (including the circumstances that resulted in the occurrence of the Force Majeure Event) less the cost to the Issuer and/or its Affiliates of unwinding the Hedging Arrangements (if any) (including but not limited to selling or otherwise

realising the Reference Obligation/Obligations or any options or futures contracts in relation to the Reference Obligation/Obligations or any other such property), all as determined by the Calculation Agent. At the election of the Issuer, such payment may be made in the Local Currency in the Relevant Jurisdiction, in which case the Securityholder will have responsibility for establishing an account in the Relevant Jurisdiction in order to receive such payments; provided that if it is impracticable or unlawful for the Issuer to pay such amount in the Relevant Jurisdiction or the relevant Securityholder does not establish the necessary account in the Relevant Jurisdiction to receive payment(s) in the currency the Issuer elects, the Issuer shall not be obliged to make payment of any such amounts so affected, as applicable. Payment will be made, as the case may be, in such manner as shall be notified to the Securityholders in accordance with the General Conditions.

(iv) Suspension

Upon the Issuer's election to suspend the Securities, the Issuer's obligations in respect of the Securities may be suspended up until the tenth day after such Force Majeure Event shall cease to exist.

(v) Loss

No Securityholder will be entitled to any compensation from the Issuer for any loss suffered as a result of the occurrence of a Force Majeure Event.

(vi) Redemption following a Merger Event

If "Merger Event" is specified as applying in the Issue Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Securityholders in accordance with the General Conditions, and redeem all but not some only of the Securities and pay in respect of each nominal amount of Notes equal to the Calculation Amount or each Certificate, as the case may be, the fair market value of such Calculation Amount or Certificate (as relevant) at termination as determined by the Calculation Agent taking into consideration all information it determines relevant less the cost to the Issuer and/or its Affiliates of unwinding any Hedging Arrangements. The Issuer will notify the timing of such early redemption to Securityholders.

For the purposes of this paragraph **Error! Reference source not found.:**

"Government Authority" means any nation, state or government; any province or other political subdivision thereof; any body, agency or ministry; any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality; and any other entity exercising; executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

For these purposes, **"Merger Event"** means that at any time during the period from (and including) the Trade Date to (but excluding) the Maturity Date either (A) the Issuer or a Reference Entity (any such entity, the **"Mergor"**) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to (i) where the Mergor is the Issuer, a Reference Entity or (ii) where the Mergor is a Reference Entity, the Issuer, or (B) the issuer and a Reference Entity become Affiliates.

"Relevant Jurisdiction" has the meaning specified in the applicable Issue Terms and if it is not specified, it will mean any jurisdiction determined by the Calculation Agent as having a connection with the Local Currency and/or Hedging Arrangements (if any).

14 **Settlement Suspension**

If, following the occurrence of a Credit Event Determination Date but prior to the Physical Settlement Date or Auction Settlement Date or, to the extent applicable, a Valuation Date, there is a DC Credit Event Meeting Announcement, the Calculation Agent may, at its option, determine that the applicable timing requirements of the Credit Terms and the definitions of Credit Event Redemption Date, Valuation Date, Settlement Notice, Physical Settlement Notice, Physical Settlement Period, and any other provision of these Terms and Conditions and/or the applicable Issue Terms as determined by the Calculation Agent, shall toll and be suspended and remain suspended (such period, a “**Suspension Period**”) until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements of these Terms and Conditions and/or the applicable Issue Terms that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary.

In the event of any such Suspension Period, the Calculation Agent may (x) make such consequential or other adjustment(s) or determination(s) to or in relation to the General Conditions or these Terms and Conditions as may be desirable or required either during or following any Suspension Period to account for or reflect such suspension and (y) determine the effective date of such adjustment(s) or determination(s).

15 Provisions taken from the ISDA supplement titled "Additional Provisions for Monoline Insurer Reference Entities (September 2014)"

If this paragraph 15 is specified as applicable in the applicable Issue Terms, the following provisions will apply:

- (a) *Obligation and Deliverable Obligation.* Paragraph (a) of the definition of "Obligation" in paragraph 20 and paragraph (a) of the definition of "Deliverable Obligation" in paragraph 20 are hereby amended by adding "or Qualifying Policy" after "as provider of a Relevant Guarantee".
- (b) *Interpretation of Provisions.* In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (B) of the definition of "Deliverable Obligation" in paragraph 20 will apply, with references to the Relevant Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
 - (I) the Obligation Category "Borrowed Money" and the Obligation Category and Deliverable Obligation Category "Bond" shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these Terms and Conditions in respect of such an Insured Instrument shall be construed accordingly;
 - (II) references in the definitions of "Assignable Loan" and "Consent Required Loan" to the "guarantor" and "guaranteeing" shall be deemed to include the "insurer" and "insuring", respectively;
 - (III) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of "Accelerated or Matured", whether or not that characteristic is otherwise specified as applicable in the applicable Issue Terms;

- (IV) if the "Assignable Loan", "Consent Required Loan", "Direct Loan Participation" or "Transferable" Deliverable Obligation Characteristics are specified in the applicable Issue Terms and if the benefit of the "Qualifying Policy" is not transferred as part of any transfer of the Insured Instrument, the "Qualifying Policy" must be transferable at least to the same extent as the Insured Instrument;
 - (V) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the "Maximum Maturity" Deliverable Obligation Characteristic, shall mean the specified date by which the "Qualifying Policy" guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and
 - (VI) with respect to a Qualifying Policy and an Insured Instrument, only the Qualifying Policy must satisfy on the relevant date or dates the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, if applicable.
- (c) *Outstanding Principal Balance.* References in paragraph (a) of the definition of "Outstanding Principal Balance" to a Guarantee, the Underlying Obligation and the Underlying Obligor shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instruments shall be disregarded for the purposes of paragraph (b)(ii)(B) of the definition of "Outstanding Principal Balance" provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.
- (d) *Deliver.* For the purposes of the definition of "Deliver" in paragraph 20, "Deliver" with respect to an obligation that is a "Qualifying Policy" means to Deliver both the Insured Instrument and the benefit of the "Qualifying Policy" (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related "Qualifying Policy"), and "Delivery" and "Delivered" will be construed accordingly.
- (e) *Provisions for Determining a Successor.* Paragraph (a) and the paragraphs commencing "If two or more entities..." and "For the purposes of this definition of "Successor"..." in the definition of "Successor" in paragraph 20 are hereby amended by adding "or Qualifying Policy" after each occurrence of "a Relevant Guarantee". Such paragraph commencing "If two or more entities..." will be further amended by adding "or provider of a Qualifying Policy" after "as guarantor or guarantors".
- (f) *Original Non-Standard Reference Obligation, Substitute Reference Obligation and Substitution Event.* The definition of "Original Non-Standard Reference Obligation", paragraph (c)(i) of the definition of "Substitute Reference Obligation" and paragraph a(iii) of "Substitution Event" are hereby amended by adding "Qualifying Policy" after "a guarantee".
- (g) Restructuring
- (I) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying

Policy with respect thereto, paragraphs (a) to (e) inclusive of the definition of "Restructuring" in paragraph 20 are hereby amended to read as follows:

"(a) a reduction in the rate or amount of the Instrument Payments in paragraph (A)(x) of the definition thereof that are guaranteed or insured by the "Qualifying Policy" (including by way of redenomination);

(b) a reduction in the amount of the Instrument Payments described in paragraph (A)(y) of the definition thereof that are guaranteed or insured by the "Qualifying Policy" (including by way of redenomination);

(c) a postponement or other deferral of a date or dates for either (x) the payment or accrual of the Instrument Payments described in paragraph (A)(x) of the definition thereof or (y) the payment of the Instrument Payments described in paragraph (A)(y) of the definition thereof, in each case that are guaranteed or insured by the "Qualifying Policy";

(d) a change in the ranking in priority of payment of (x) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (y) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or

(e) any change in the currency of any payment of Instrument Payments that are guaranteed or insured by the "Qualifying Policy" to any currency (other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole))."

(II) Paragraph (D) of the definition of "Restructuring" in paragraph 20 is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Instrument, where (A) the "Qualifying Policy" continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the "Qualifying Policy" guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy at the end thereof.

(III) The definition of "Restructuring" in paragraph 20 is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

"For purposes of this definition of "Restructuring" in and if paragraph 15 is specified as applying in the applicable Issue Terms, for the purposes of the Terms and Conditions the term "Obligation" shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying

Policy and an Insured Instrument, references to the Reference Entity in this definition of "Restructuring" shall be deemed to refer to the Insured Obligor and the references to the Reference Entity in paragraphs (a) to (e) inclusive in this definition of "Restructuring" shall continue to refer to the Reference Entity."

- (h) *Fully Transferable Obligation and Conditionally Transferable Obligation.* In the event that M(M)R Restructuring is specified as applicable in the applicable Issue Terms and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition. References in the definition of "Conditionally Transferable Obligation" to the "guarantor" and "guaranteeing" shall be deemed to include "the insurer" and "insuring" respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in paragraph 2 and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the "Qualifying Policy" guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (i) *Other Provisions.* For purposes of the definitions of "Prohibited Action", "Credit Event" and "Deliver" in paragraph 20 references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.
- (j) *Additional Definitions.*
 - (I) **"Qualifying Policy"** means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this paragraph 15) (the **"Insured Instrument"**) for which another party (including a special purpose entity or trust) is the obligor (the **"Insured Obligor"**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments).
 - (II) **"Instrument Payments"** means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the "Qualifying Policy").
 - (III) **"Certificate Balance"** means, in the case of an Insured Instrument that is in the form of a pass through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

16 Calculation Agent Notices, certain provisions relating to timing and payment timing and non-exclusive use of certain provisions hereof

Any notice to be delivered by the Calculation Agent to the Issuer pursuant to these Terms and Conditions may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice will be effective when given, regardless of the form in which it is delivered. 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 will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.

For the purposes of determining the day on which an event occurs for purposes of these Terms and Conditions, the Calculation Agent will determine the demarcation of days by reference to Greenwich Mean Time (or, if the Reference Entity has a material connection to Japan for these purposes, 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.

In addition, 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 Reference Entity has a material connection to Japan for these purposes, Tokyo time), irrespective of the time zone of its place of payment.

The application of any of paragraph 3, 4, 5, 6 or 14 above shall, for the avoidance of doubt, not preclude the application of any other such paragraph either contemporaneously or subsequently and in the event that any such paragraphs are inconsistent or the Calculation Agent becomes entitled to exercise a discretion under one or more of such paragraphs, the Calculation Agent may elect in its sole and absolute discretion which paragraph shall apply and under which paragraph or paragraphs it shall exercise its discretion.

17 Amendment of Terms and Conditions

The Calculation Agent may from time to time amend any provision of these Terms and Conditions (i) to incorporate and/or reflect (a) further or alternative documents or protocols from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or (b) the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees and/or (ii) in any manner which the Calculation Agent determines in a commercially reasonable manner is necessary or desirable to reflect or account for market practice for credit derivative transactions and/or reflect or account for a Hedge Disruption Event. Any amendment made in accordance with this paragraph 17 shall be notified to the Securityholders in accordance with the General Conditions.

18 Early redemption of Reference Obligation Only Securities following a Substitution Event

If the Securities are Reference Obligation Only Securities relating to a single Reference Entity and the event set out in paragraph (a) of the definition of Substitution Event below occurs with respect to the Reference Obligation, then:

- (a) interest (if any) shall cease to accrue on the Securities from and including the Interest Payment Date immediately preceding the relevant Substitution Event Date or, if no Interest Payment Date has occurred, no interest will accrue on the Securities; and

- (b) each Security will be redeemed by the Issuer at its relevant Reference Obligation Only Termination Amount specified in, or determined in the manner specified in, the applicable Issue Terms in the Specified Currency on the Maturity Date, which for the purposes of this paragraph shall be the day falling three Business Days following the relevant Substitution Event Date.

19 DC Resolution Adjustment Events

If following the publication of a DC Resolution (the "Prior DC Resolution"), a further DC Resolution (the relevant "Further DC Resolution") is published the effect of which would be to reverse all or part of the Prior DC Resolution or if any DC Resolution would reverse any determination made by the Calculation Agent and/or the occurrence of a Credit Event Determination Date, notwithstanding any other provisions of these Terms and Conditions the Calculation Agent may, in its sole and absolute discretion, make any adjustment(s) that the Calculation Agent determines is necessary or desirable to the General Conditions or these Terms and Conditions to reflect the publication of such Further DC Resolution or DC Resolution, including, without limitation, as a result of the impact or effect of such Further DC Resolution or DC Resolution on the Hedging Arrangements (if any).

20 Definitions

"2.5 year Limitation Date" has the meaning given to that term in the definition of "Limitation Date".

"10 year Limitation Date" has the meaning given to that term in the definition of "Limitation Date".

"Accrued Interest" means for the purpose of these Credit Linked Conditions:

- (i) in respect of any Securities for which "Physical Settlement" is specified to be the Settlement Method in the applicable Issue Terms (or for which Physical Settlement is applicable as the Fallback Settlement Method in accordance with paragraph 1), the Outstanding Principal Balance of the Deliverable Obligations being Delivered will exclude accrued but unpaid interest, unless "Include Accrued Interest" is specified in the applicable Issue Terms, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Calculation Agent shall determine in its reasonable discretion);
- (ii) in respect of any Securities for which "Cash Settlement" is specified to be the applicable Settlement Method in the applicable Issue Terms (or for which Cash Settlement is applicable as the Fallback Settlement Method in accordance with paragraph 1), and:
 - (a) "Include Accrued Interest" is specified in the applicable Issue Terms, the Outstanding Principal Balance of the Reference Obligation shall include accrued but unpaid interest;
 - (b) "Exclude Accrued Interest" is specified in the applicable Issue Terms, the Outstanding Principal Balance of the Reference Obligation shall not include accrued but unpaid interest; or
 - (c) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Issue Terms, the Calculation Agent shall determine, based on the then current market practice in the market of the Reference Obligation whether the Outstanding Principal Balance of the Reference Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or
- (iii) if paragraph 8 (*Partial Cash Settlement*) applies, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant

Undeliverable Obligation or Hedge Disruption Obligation (as applicable) or Undeliverable Loan Obligation or Unassignable Obligation, whether such Quotations shall include or exclude accrued but unpaid interest.

“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).

“Asset Amount” means, in respect of each nominal amount of Notes equal to the Calculation Amount or each Certificate, as the case may be, Deliverable Obligations, as selected by the Issuer, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money obligations, an Outstanding Principal Balance; or
- (b) in the case of Deliverable Obligations that are not Borrowed Money obligations, a Due and Payable Amount,

(or, in each case, the equivalent Currency Amount of any such amount) in each case in an aggregate amount as of the relevant Delivery Date that is equal to the Calculation Amount.

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

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

“Asset Package Credit Event” means:

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

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

“Asset Package Delivery” will apply if an Asset Package Credit Event occurs, unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event specified in the Credit Event Notice or DC Credit Event Announcement applicable to the Credit Event Determination Date, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event. Notwithstanding the foregoing, if Sovereign No Asset Package Delivery is specified as applicable in the applicable Issue Terms, it shall be deemed that no Package Observable Bond exists with respect to a Reference Entity that is a Sovereign (even

if such a Package Observable Bond has been published by ISDA) and accordingly, Asset Package Delivery shall not apply thereto.

“Asset Transfer Notice” means a duly completed asset transfer notice substantially in the form set out in the Notes Agency Agreement or Warrants and Certificates Agency Agreement (as applicable).

“Auction” has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

“Auction Cancellation Date” has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

“Auction Cash Settlement Amount” means an amount per Calculation Amount calculated by the Calculation Agent equal to (a) the Calculation Amount multiplied by (b) the Auction Final Price; provided that in no event shall the Auction Cash Settlement Amount be less than zero. In relation to a Note, where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Auction Cash Settlement Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“Auction Covered Transaction” has the meaning as shall be set out in the relevant Transaction Auction Settlement Terms.

“Auction Final Price” means the price, if any, specified to be the relevant Auction Final Price as shall be set forth in the relevant Transaction Auction Settlement Terms (expressed as a percentage) or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-Off Date, the price, if any, specified to be the Auction Final Price determined in accordance with the applicable Parallel Auction Settlement Terms with respect to the Reference Entity (expressed as a percentage).

“Auction Final Price Determination Date” has the meaning as shall be set for in Transaction Auction Settlement Terms.

“Auction Settled Securities” means Securities in respect of which “Auction Settlement” is specified as the applicable Settlement Method in the applicable Issue Terms.

“Auction Settlement Date” means the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, 10 Business Days) immediately following the Auction Final Price Determination Date.

“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 30 calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;

- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs **Error! Reference source not found.** to **Error! Reference source not found.** (inclusive).

“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 specified in the Issue Terms.

“Calculation Agent Physical Settlement Amendment Notice” means a notice by the Calculation Agent to the Issuer containing such material information determined by the Calculation Agent that is required to be specified by the Issuer, in a Physical Settlement Amendment Notice to be given by the Issuer.

“Calculation Agent Physical Settlement Notice” means a notice from the Calculation Agent to the Issuer containing such material information determined by the Calculation Agent that is required to be specified by the Issuer in a Physical Settlement Notice to be given by the Issuer.

“Cash Settled Securities” means Securities in respect of which “Cash Settlement” is specified as the applicable Settlement Method in the applicable Issue Terms or where Cash Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred.

“Conditionally Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case as of each such date the Calculation Agent determines appropriate in the context of the Securities which dates may include any relevant dates for purposes of the Hedging Arrangements (if any) provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if the Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for the purposes of this definition of “Conditionally Transferable Obligation”.

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

“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 (or any successor website thereto) from time to time and may be amended from time to time.

“Credit Derivatives Determinations Committee” means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

“Credit Event” means the occurrence of any one or more of the Credit Events specified in the applicable Issue Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, Governmental Intervention and/or, in respect of Exempt Securities, any additional Credit Event specified in the applicable Pricing Supplement.

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

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

“Credit Event Backstop Date” means (a) for purposes of any event that constitutes a Credit Event (or with respect to a Repudiation/Moratorium, if applicable, the event described in subparagraph (b) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) if the Notice Delivery Date occurs during the Notice Delivery Period, the Notice Delivery Date; and (ii) if the Notice Delivery Date occurs during the Post Dismissal Additional Period, the Credit Event Resolution Request Date.

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

“Credit Event Determination Date” means, with respect to a Credit Event with respect to which:

- (a) Auction Settlement is the applicable Settlement Method:
 - (i) subject to paragraph (a)(ii) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the

Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

- (ii) notwithstanding paragraph (a)(i) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
 - (A)
 - (1) the Credit Event is not an M(M)R Restructuring; and
 - (2) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
 - (B)
 - (1) the Credit Event is an M(M)R Restructuring; and
 - (2) a Credit Event Notice is delivered and is effective on or prior to the Exercise Cut-off Date, *provided that* no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered 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, or the Calculation Agent otherwise determines this is consistent with the Hedging Arrangements (if any), or
- (b) if paragraph (a) of this definition does not apply, the Non-Standard Credit Event Determination Date.

Provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, the Credit Event Redemption Date or the Maturity Date as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant event.

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to one or more preceding Interest Payment Dates, the Calculation Agent will determine (1) such adjustment(s) to these Terms and Conditions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Securityholders as would have prevailed had a Credit Event Determination Date occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s).

Where First-to-Default is specified as applicable in the applicable Issue Terms, a Credit Event Determination Date shall be deemed to occur with respect to the Securities on the first occasion a Credit Event Determination Date occurs with respect to any Reference Entity (the "**First Reference Entity**"). Where First-to-Default is specified as applicable in the applicable Issue Terms and a Credit Event Determination Date occurs with respect to more than one Reference Entity on the same day, the Calculation Agent shall determine in its sole discretion the order in which such Credit Event Determination Dates occur.

"Credit Event Notice" means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

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

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"Credit Event Redemption Amount" means the amount per Calculation Amount specified as such or, in respect of Exempt Securities, determined as specified in the applicable Issue Terms or, if no such amount or method of determination is so specified, an amount calculated by the Calculation Agent equal to:

$$A \times B$$

where:

"A" is the Calculation Amount; and

"B" is the Final Price,

provided that in no event shall the Credit Event Redemption Amount be less than zero. In relation to a Note, where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Credit Event Redemption Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Credit Event Redemption Date" means, subject to paragraph **Error! Reference source not found. (Error! Reference source not found.)** above, the day falling the number of Business Days specified in the applicable Issue Terms after the determination of the Final Price, or, if the number of Business Days is not so specified, ten (10) Business Days, in each case in respect of the Reference Entity the occurrence of which results in the Securities becoming redeemable. For the avoidance of doubt, a Credit Event Redemption Date may fall on a day that is later than the Maturity 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.

"Currency Amount" means with respect to a Deliverable Obligation or Replacement Deliverable Obligation specified in a Physical Settlement Notice or Physical Settlement Amendment Notice that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate.

"Currency Rate" means, with respect to (a) a Deliverable Obligation specified in the Physical Settlement Notice or any Physical Settlement Amendment Notice, as applicable, the rate of conversion between the Settlement Currency and the currency in which the Outstanding

Principal Balance or Due and Payable Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

“Currency Rate Source” means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

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

“DC Credit Event Announcement” means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event 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 Maturity Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

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

“DC Credit Event Question” means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

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

“DC Determination Cut-off Date” has the meaning given to that term in paragraph 5.

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

“DC Party” has the meaning given to that term in the DC Rules.

“DC Resolution” has the meaning given to that term in the DC Rules.

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

“DC Secretary” has the meaning given to that term in the DC Rules.

“Default Requirement” means the amount specified as such in the applicable Issue Terms or its equivalent in the relevant Obligation Currency or, if no such amount is specified in the applicable Issue Terms, U.S.\$10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

"Deferred Interest Payment Date" has the meaning given to that term in paragraph 6 (*Deferral of Certain Dates*).

"Deferred Maturity Date" has the meaning given to that term in paragraph 6 (*Deferral of Certain Dates*).

"Deliver" means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Asset Amount to the relevant Securityholder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs **Error! Reference source not found.** to **Error! Reference source not found.** in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or any Underlying Obligor); provided that (i) if all or a portion of the Asset Amount consists of Direct Loan Participations, "Deliver" means to create (or procure the creation of) a participation in favour of the relevant Securityholder and (ii) to the extent that the Deliverable Obligations consist of a Guarantee, **"Deliver"** means to Deliver both the Guarantee and the Underlying Obligation, provided further that if the Guarantee has a Fixed Cap, **"Deliver"** means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. **"Delivery"** and **"Delivered"** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

If Asset Package Delivery applies, (a) Delivery of a Prior Deliverable Obligation or a Package Observable Bond specified in the Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable, may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (b) the preceding paragraph above shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (c) if the Asset Package is zero, the Outstanding Amount of the Prior Deliverable Obligation or Package Observable Bond shall be deemed to have been Delivered in full three Business Days following the date on which the Issuer has notified the Holders in accordance with the General Conditions of the detailed description of the Asset Package that it intends to Deliver, (d) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (e) 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 and the term Asset Package shall be construed accordingly.

"Deliverable 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 (A) (*Method for Determining Deliverable Obligations*) below;
- (b) the Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation;

- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the applicable Issue Terms, any Prior Deliverable Obligation, or (ii) if the Reference Entity is a Sovereign, any Package Observable Bond,

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

- (e) any Additional Deliverable Obligation of a Reference Entity specified as such in the applicable Issue Terms.

- (A) **Method for Determining Deliverable Obligations.** For the purpose of paragraph (a) of this definition of "Deliverable Obligation", the term "**Deliverable Obligation**" may be defined as each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the applicable Issue Terms, and, subject to (B) (*Interpretation of Provisions*) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Issue Terms, in each case as of each such date the Calculation Agent determines relevant in the context of the Securities which dates may include any relevant dates for purposes of the Hedging Arrangements (if any). The following terms shall have the following meanings:

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

- (2) "**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, where:

- (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 organisation) that are not then a lender or a member of the relevant lending syndicate without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;

- (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 each Securityholder that provides each Securityholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Securityholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B)

a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

- (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 applicable Issue Terms (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 Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) ***Interpretation of Provisions.***

Unless expressly stated in the applicable Issue Terms that this paragraph (B) is not applicable to a Series;

- (1) If (i) either of the Deliverable Obligation Characteristics “Listed”, “Not Domestic Issuance” or “Not Bearer” is specified in the applicable Issue Terms, the Issue Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds; (ii) the Deliverable Obligation Characteristic “Transferable” is specified in the applicable Issue Terms, the Issue Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (iii) any of the Deliverable Obligation Characteristics “Assignable Loan” or “Consent Required Loan” or “Direct Loan Participation” is specified in the applicable Issue Terms, the Issue Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.

- (2) If more than one of “Assignable Loan”, “Consent Required Loan” and “Direct Loan Participation” are specified as Deliverable Obligation Characteristics in the applicable Issue Terms, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.
- (3) In the event that a Deliverable Obligation is a Relevant Guarantee, the following will apply:
- (i) for the purposes of the application of the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
 - (ii) for the purposes of the application of the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Deliverable Obligation Characteristics, if any, specified in the applicable Issue Terms from the following list: “Not Subordinated”, “Specified Currency”, “Not Sovereign Lender”, “Not Domestic Currency”, and “Not Domestic Law”.
 - (iii) For the purposes of the application of the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Deliverable Obligation Characteristics, if any, specified in the applicable Issue Terms 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”.
- (4) For the purposes of the application of the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (5) For purposes of the application of the Deliverable Obligation Characteristic “Maximum Maturity”, remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.
- (6) If “Financial Reference Entity Terms” and “Governmental Intervention” are specified as applicable in the applicable Issue Terms, if an obligation would otherwise satisfy a particular Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity’s obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Deliverable Obligation Characteristic.
- (7) For purposes of determining the applicability of Deliverable Obligation Characteristics to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- (8) If “Subordinated European Insurance Terms” is specified as applicable in the applicable Issue Terms, if an obligation would otherwise satisfy the “Maximum Maturity” Deliverable Obligation Characteristic, the existence of

any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

“Deliverable Obligation Provisions” has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

“Deliverable Obligation Terms” has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

“Delivery Date” means, with respect to a Deliverable Obligation or an Asset Package, the date such Deliverable Obligation is Delivered (or deemed to be Delivered pursuant to the definition of “Deliver” above).

“Delivery Expenses” means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery of the Asset Amount.

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

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

“Downstream Affiliate” means an entity at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are, at the date of the issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

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

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

“Eligible Transferee” means:

- (a) any:
 - (i) bank or other financial institution;
 - (ii) insurance or reinsurance company;
 - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity described in paragraph (c)**Error! Reference source not found.**); and

- (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),
- provided, however, in each case that such entity has total assets of at least U.S.\$500 million;
- (b) an Affiliate of an entity specified in paragraph **Error! Reference source not found.**;
 - (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
 - (ii) that has total assets of at least U.S.\$500 million; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraphs **Error! Reference source not found.**, **Error! Reference source not found.** or (c)**Error! Reference source not found.** or (d) or (e) below;
 - (d) any Sovereign; or
 - (e) any entity or organization established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, the European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

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

“Excluded Deliverable Obligation” means:

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

“Excluded Obligation” means

- (a) any obligation of a Reference Entity specified as such or of a type described in the applicable Issue Terms;
- (b) if “Financial Reference Entity Terms” is specified as applicable in the applicable Issue Terms and (i) the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if “Financial Reference Entity Terms” is specified as applicable in the applicable Issue Terms and the relevant Reference Obligation or Prior Reference Obligation, as

applicable, is a Subordinated Obligation, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

"Exercise Cut-off Date" means either:

- (a) with respect to an M(M)R Restructuring and any Security to which paragraph (a) of the definition of Credit Event Determination Date above 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 14 calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event where paragraph (a) of the definition of Credit Event Determination Date does not apply, the relevant Non-Standard Exercise Cut-off Date,

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

"Extension Date" means the latest of:

- (a) the Maturity Date;
- (b) the Grace Period Extension Date if (i) "Failure to Pay" and "Grace Period Extension" are specified as applicable in the applicable Issue Terms, and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date (if any) if "Repudiation/Moratorium" is specified as applicable in the applicable Issue Terms,

as applicable.

"Failure to Pay" means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by 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 provided that, 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..

"Fallback Settlement Method" means the fallback settlement method specified (or deemed specified) in the applicable Issue Terms.

"Fallback Settlement Method Event" means any one or more of the following:

- (a) an Auction Cancellation Date or, in the case of a Restructuring Credit Event in respect of which the Movement Option was exercised on or prior to the Movement Option Cut-off Date, a Parallel Auction Cancellation Date occurs;

- (b) a No Auction Announcement Date occurs (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph **Error! Reference source not found.** or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);
- (c) a DC Credit Event Question Dismissal occurs; or
- (d) a Credit Event Determination Date was determined pursuant to sub-paragraph (a) of the definition of “Credit Event Determination Date” or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date.

“**Final List**” has the meaning given to that term in the DC Rules.

“**Final Price**” means the price of the relevant Reference Obligation, expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in accordance with the Valuation Method specified in the applicable Issue Terms or, where applicable, paragraph 8 above, or, if Fixed Recovery is specified as applicable in the applicable Issue Terms, the percentage specified in the applicable Issue Terms.

“**First Reference Entity**” has the meaning given in the definition of Credit Event Determination Date.

“**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).

“**Full Quotation**” means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount equal to the Quotation Amount.

“**Fully Transferable Obligation**” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds, in each case, as of each such date as the Calculation Agent determines relevant in the context of the Securities, which dates may include any relevant dates for purposes of the Hedging Arrangements (if any). Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of “Fully Transferable Obligation”.

“**Further Subordinated Obligation**” means, in respect of a Reference Entity, if the relevant Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

“**Governmental Authority**” means

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

- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

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

- (a) any event which would affect creditors’ rights so as to cause:
 - (i) a reduction in the rate 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 (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in paragraphs (a) to (c).

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

“Grace Period” means:

- (a) subject to paragraphs **Error! Reference source not found.** and **Error! Reference source not found.**, the applicable grace period with respect to payments under and in accordance with the terms of the relevant 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 in the applicable Issue Terms, a Potential Failure to Pay has occurred on or prior to the Maturity Date or relevant Interest Payment Date and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date or relevant Interest Payment Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the applicable Issue Terms or, if no period is specified in the applicable Issue Terms, 30 calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a

Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless “Grace Period Extension” is specified as applying in the applicable Issue Terms, such deemed Grace Period shall expire no later than the Maturity Date or relevant Interest Payment Date.

“Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified (a) if the Obligation Currency is the euro, a day on which the TARGET2 System is open, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

“Grace Period Extension Date” means, if:

- (a) “Grace Period Extension” is specified as applicable in the applicable Issue Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Maturity Date or relevant Interest Payment 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 in the applicable Issue Terms, Grace Period Extension shall not apply.

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

“Hedge Disruption Event” means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of the relevant Hedging Arrangements (if any).

“Hedge Disruption Obligation” means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

“Hedging Arrangements” means any underlying or related transaction(s), asset(s) or arrangements (which may include, without limitation, deposits and/or other funding arrangements) the Issuer and/or any of its Affiliates may enter into or hold from time to time directly or indirectly in connection with issuing and performing its obligations with respect to the Securities.

“Hedging Costs” means, notwithstanding any provisions in the General Conditions, in respect of the Early Redemption Amount, Optional Redemption Amount, Final Redemption Amount, Auction Cash Settlement Amount, Partial Cash Settlement Amount, Credit Event Redemption Amount or any other amount specified in the applicable Issue Terms to be subject to adjustment for Hedging Costs (each a **“Relevant Redemption Amount”**) or the Asset Amount, as the case may be (a) the Issuer's losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant Redemption Amount will be adjusted downward by its *pro rata* share of such losses, expenses and costs or the Asset Amount may be reduced as provided in paragraph **Error! Reference source not found.** (**Error! Reference source not found.**) above), provided that the Relevant Redemption Amount shall not be less than zero or (b) the Issuer's gain in which case the Relevant Redemption Amount will be adjusted upward by its *pro rata* share of such gain or, as the case may be, a payment will be made by the Issuer to the Securityholder of such *pro rata* share of the gain in respect of the Asset Amount, as the case may be, in each case to the Issuer and/or any Affiliate of unwinding, terminating, liquidating, adjusting, obtaining, replacing, settling or re-establishing any Hedging Arrangements (if any) (including but not limited to any options, currency and derivative trades or selling or otherwise realising any

instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such Hedging Arrangements (if any)), all as calculated by the Calculation Agent.

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

“ISDA” means the International Swaps and Derivatives Association, Inc.

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

“Latest Maturity Restructured Bond or Loan” has the meaning given to that term in the definition of “Restructuring Maturity Limitation Date”.

“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, unless the applicable Issue Terms specify otherwise.

“Liquidated Value” means, with respect to a Deliverable Obligation and a Delivery Date, the proceeds that might be realised by the Issuer (net of any realisation costs) in respect of the sale of such Deliverable Obligation as of the Delivery Date on the basis of the following:

- (a) if more than one Full Quotation (for which purpose any reference to “Reference Obligation” in the definition thereof shall be deemed to be a reference to “Deliverable Obligation”) are obtained, the highest of such Full Quotations;
- (b) if only one Full Quotation is obtained, such Full Quotation;
- (c) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (d) if neither a Full Quotation nor a Weighted Average Quotation is obtained, subject to where the Quotation is deemed to be zero, an amount as determined by the Calculation Agent on the next Business Day on which at least one Full Quotation or a Weighted Average Quotation is obtained; or
- (e) if the Quotations are deemed to be zero, the Liquidated Value shall be determined by the Calculation Agent as the realisable value, if any, of the relevant Deliverable Obligation as of the Delivery Date.

“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 applicable Issue Terms.

“Market Value” means, with respect to the Reference Obligation, on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of "Quotation", an amount the Calculation Agent shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if the Quotations are deemed to be zero, the Market Value shall be zero.

"Minimum Quotation Amount" means the amount specified as such in the applicable Issue Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) U.S.\$1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

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

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

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

"Movement Option" means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to sub-paragraph **Error! Reference source not found.** or **Error! Reference source not found.**(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the Securities, for purposes of Settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible Deliverable Obligations are more limited than the Deliverable Obligations that could apply in respect of the Reference 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). The Issuer shall be deemed to have exercised such option if the Calculation Agent delivers an effective Notice to Exercise Movement Option to the Issuer on or prior to the Movement Option Cut-off Date. If the Calculation Agent does not deliver an effective Notice to Exercise Movement Option on or prior to the Movement Option Cut-off Date, the Fallback Settlement Method shall apply.

"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.

"Next Currency Fixing Time" means 4:00 p.m. (London time) on such London Business Day as the Calculation Agent shall select falling no more than five (5) London Business Days immediately preceding the date on which the Physical Settlement Notice or relevant Physical Settlement Amendment Notice or relevant Partial Cash Settlement Notice, as applicable, is effective. For these purposes, **"London Business Day"** means a day on which banks and foreign exchange markets are generally open to settle payments in London.

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

- (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published;
- (b) following the occurrence of an M(M)R Restructuring no Transaction 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.

“Non-Conforming Reference Obligation” means a Reference Obligation which is not a Conforming Reference Obligation.

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

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

“Non-Standard Credit Event Determination Date” means with respect to a Credit Event:

- (a) subject to paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding paragraph (a) of this definition, 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) (1) “Auction Settlement” is not the applicable Settlement Method;
 - (2) the relevant Credit Event is not an M(M)R Restructuring; and
 - (3) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or
 - (B) (1) the relevant Credit Event is an M(M)R Restructuring; and
 - (2) a Credit Event Notice is delivered to Securityholders in accordance with the General Conditions 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 and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is fourteen calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:
 - (A)
 - (1) “Auction Settlement” is not the applicable Settlement Method;
 - (2) the relevant Credit Event is not an M(M)R Restructuring; and
 - (3) the Trade Date occurs following the date of the related DC Credit Event Announcement and on or prior to a DC Announcement Coverage Cut-off Date; or
 - (B) the Calculation Agent determines this is otherwise consistent with the Hedging Arrangements (if any),

provided that no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered 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 or the Calculation Agent determines this is otherwise consistent with the Hedging Arrangements (if any).

“Non-Standard Exercise Cut-off Date” means, with respect to a Credit Event to which paragraph (a) of the definition of Credit Event Determination Date does not apply:

- (a) if such Credit Event is not an M(M)R Restructuring, either:
 - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
 - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (iii) the date that is fourteen calendar days following the No Auction Announcement Date, if any,

as applicable; 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.

“Non-Standard Reference Obligation” means, in respect of the Reference Entity, the Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.

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

“Notice Delivery Date” means the first date on which both an effective Credit Event Notice and, unless “Notice of Publicly Available Information” is specified as not applicable in the applicable Issue Terms, an effective Notice of Publicly Available Information, have been delivered by the Calculation Agent.

“Notice Delivery Period” means the period from and including the Trade Date to and including the date that is 21 calendar days after the Extension Date.

“Notice to Exercise Movement Option” means, in relation to Auction Settled Securities for which (a) an M(M)R Restructuring is applicable and (b) the Fallback Settlement Method would otherwise be applicable pursuant to paragraph **Error! Reference source not found.** of the definition of “Fallback Settlement Method Event”, a notice from the Calculation Agent to the Issuer that (i) specifies the Parallel Auction Settlement Terms applicable with respect to such Auction Settled Securities in accordance with the definition of “Movement Option” and (ii) is effective on or prior to the Movement Option Cut-off Date.

“Notice of Publicly Available Information” means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy or description in reasonable detail of the relevant Publicly Available Information. If “Notice of Publicly Available Information” is specified as applying in the applicable Issue Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in paragraph 16.

“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 (A) *Method for Determining Obligations* below and;

(b) the Reference Obligation,

in each case unless it is an Excluded Obligation, and

(c) any Additional Obligation of a Reference Entity specified as such in the applicable Issue Terms.

(A) ***Method for Determining Obligations.*** For the purpose of paragraph (a) of this definition of “Obligation”, the term “Obligation” may be defined as each obligation of the Reference Entity described by the Obligation Category specified in the applicable Issue Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Issue Terms, in each case, immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

(1) **“Obligation Category”** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Issue Terms, where:

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

- (ii) **“Borrowed Money”** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
 - (iii) **“Reference Obligations Only”** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
 - (iv) **“Bond”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
 - (v) **“Loan”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
 - (vi) **“Bond or Loan”** means any obligation that is either a Bond or a Loan.
- (2) **“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 specified in the applicable Issue Terms, where:
- (i) **“Not Subordinated”** means an obligation that is not Subordinated to (1) the Reference Obligation or, (2) the Prior Reference Obligation, if applicable;
 - (ii) **“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 other similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (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;

- (iii) **“Prior Reference Obligation”** means, in circumstances where there is no Reference Obligation applicable to the Securities, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the applicable Issue Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;
- (iv) **“Specified Currency”** means an obligation that is payable in the currency or currencies specified as such in the applicable Issue Terms (or, if “Specified Currency” is specified in the applicable Issue Terms and no currency is so specified, any Standard Specified Currency) provided that if the euro is a Specified Currency, “Specified Currency” shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (v) **“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”;
- (vi) **“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;
- (vii) **“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;
- (viii) **“Listed”** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (ix) **“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.

(B) Interpretation of Provisions.

- (1) If either of the Obligation Characteristics “Listed” or “Not Domestic Issuance” is specified in the applicable Issue Terms, the applicable Issue Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- (2) In the event that an Obligation is a Relevant Guarantee, the following will apply:
 - (i) for the purposes of the application of the Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
 - (ii) for the purposes of the application of the Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics, if any, specified in the applicable Issue Terms from the following list: “Not Subordinated”, “Specified Currency”, “Not Sovereign Lender”, “Not Domestic Currency” and “Not Domestic Law”;
 - (iii) for the purposes of the application of the Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics, if any, specified in the applicable Issue Terms from the following list: “Listed”, and “Not Domestic Issuance”, and
 - (iv) for the purposes of the application of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (3) If “Financial Reference Entity Terms” and “Governmental Intervention” are specified as applicable in the applicable Issue Terms, if an obligation would otherwise satisfy a particular 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.

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

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

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

“Original Non-Standard Reference Obligation” means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference

Obligation in respect of such Reference Entity in the applicable Issue Terms (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Securities (other than for the purposes of determining the Seniority Level and for the “Not Subordinated” Obligation Characteristic or “Not Subordinated” Deliverable Obligation Characteristic) unless the relevant Securities are Reference Obligation Only Securities.

“Outstanding Amount” means, in respect of a Deliverable Obligation, the Outstanding Principal Balance or Due and Payable Amount, as applicable, or the equivalent amount in the Settlement Currency of such Deliverable Obligation.

“Outstanding Principal Balance” means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity’s principal payment obligations and, where applicable in accordance with the definition of Accrued Interest above, the Reference Entity’s accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) 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 (ii) the amount of the Fixed Cap, if any);
- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) 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 (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the **“Non-Contingent Amount”**); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

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

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

“Parallel Auction” means “Auction” as defined in the relevant Parallel Auction Settlement Terms.

“Parallel Auction Cancellation Date” means “Auction Cancellation Date” as defined in the relevant Parallel Auction Settlement Terms.

“Parallel Auction Settlement Terms” means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such M(M)R Restructuring, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction provided that if no such Credit Derivatives Auction Settlement Terms are published, the Calculation Agent may select in its sole discretion the applicable Credit Derivatives Auction Settlement Terms.

“Parallel Notice of Physical Settlement Date” means “Notice of Physical Settlement Date” as defined in the relevant Parallel Auction Settlement Terms.

“Payment Requirement” means the amount specified as such in the applicable Issue Terms or its equivalent in the relevant Obligation Currency or, if no such amount is so specified, U.S.\$1,000,000 or its equivalent, as calculated by the Calculation Agent 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, as calculated by the Calculation Agent.

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

“Permitted Contingency” means, with respect to an obligation, any reduction to the Reference Entity’s payment obligations:

- (i) as a result of the application of:
 - (a) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
 - (b) provisions implementing the Subordination of the obligation;
 - (c) 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);
 - (d) if “Subordinated European Insurance Terms” are specified as applicable in the applicable Issue Terms, any Solvency Capital Provisions; or
 - (e) if “Financial Reference Entity Terms” are specified as applicable in the applicable Issue Terms, provisions which permit the Reference Entity’s obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (ii) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

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

“Physical Settlement Date” means the last day of the longest Physical Settlement Period following the PSN Cut-Off Date (the **“Scheduled Physical Settlement Date”**), provided that if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Physical Settlement Date, the Physical Settlement Date shall be the earlier of (a) the second Business Day following the date on which no Hedge

Disruption Event exists and (b) the day falling 60 Business Days following the Scheduled Physical Settlement Date.

“Physical Settlement Notice” has the meaning given in paragraph 2 (*Physical Settlement*) above.

“Physical Settlement Period” means, subject to paragraph **Error! Reference source not found. (Error! Reference source not found.)** above, the number of Business Days specified as such in the applicable Issue Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Physical Settlement Notice or the Physical Settlement Amendment Notice, as applicable, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent provided that if the Issuer has notified the Securityholders in accordance with the General Conditions that it will Deliver an Asset Package in lieu of a Prior Deliverable Obligation or a Package Observable Bond, the Physical Settlement Period shall be 35 Business Days.

“Physically Settled Securities” means Securities in respect of which “Physical Settlement” is specified as the applicable Settlement Method in the applicable Issue Terms or where Physical Settlement is the Fallback Settlement Method and a Fallback Settlement Method Event has occurred.

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

“Potential Credit Event” means:

- (a) a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity),
- (b) a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity); or
- (c) if a Credit Event Resolution Request Date has occurred and the relevant Credit Derivatives Determinations Committee has not made its determination.

A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred.

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

“Potential Repudiation/Moratorium” means the occurrence of an event described in paragraph **Error! Reference source not found.** of the definition of “Repudiation/Moratorium”.

“Prior Deliverable Obligation” means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within paragraphs (a) or (b) of the definition of Deliverable

Obligation above, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or

- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement), such Reference Obligation, if any.

“Prohibited Action” means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in (a) to (d) of the definition of Credit Event above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

“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.

“PSN Cut-off Date” means subject, where applicable, to paragraph 14 above:

- (a) subject to paragraph (b) below, the later of:
 - (i) the thirtieth calendar day after the Credit Event Determination Date; and
 - (ii) the tenth calendar day after either the date of the relevant DC Credit Event Announcement or of the relevant DC Credit Event Question Dismissal, if any (or, if the relevant Credit Event is an M(M)R Restructuring, the tenth calendar day after the Non-Standard Exercise Cut-off Date); or
- (b) if, in accordance with the terms of paragraph 1(ii)(B) above, paragraph 2 above applies as a result of the occurrence of (a) an Auction Cancellation Date or (b) a No Auction Announcement Date and, in circumstances where such No Auction Announcement Date occurs pursuant to section (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option and:
 - (i) the relevant Credit Event is not an M(M)R Restructuring, the later of:
 - (A) the date determined pursuant to paragraph (a)(i) above; and
 - (B) the thirtieth calendar day after the Auction Cancellation Date or the No Auction Announcement Date, occurring pursuant to paragraphs **Error! Reference source not found.** or **Error! Reference source not found.**(i) of the definition of No Auction Announcement Date above, as applicable; or
 - (ii) the relevant Credit Event is an M(M)R Restructuring either:
 - (A) the later of:
 - (1) the date determined pursuant to paragraph (a)(i) above; and
 - (2) the thirtieth calendar day after:
 - (x) a No Auction Announcement Date occurring pursuant to paragraph **Error! Reference source not found.** of the definition of No Auction Announcement Date above, if any;
 - (y) a No Auction Announcement Date occurring pursuant to paragraph **Error! Reference source not found.**

found.(i) of the definition of No Auction Announcement Date above, if any; or

(z) the Auction Cancellation Date, if any, as applicable; or

(B) the later of the Parallel Notice of Physical Settlement Date (or, if more than one Parallel Notice of Physical Settlement Date should occur, the last Parallel Notice of Physical Settlement Date), and the Relevant City Business Day immediately following the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

(1) a No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date above and the Issuer has not exercised the Movement Option; or

(2) a No Auction Announcement Date occurs pursuant to paragraph **Error! Reference source not found.**(ii) of the definition of No Auction Announcement Date above and the Issuer has not exercised the Movement Option,

provided that in the case of paragraphs (a)(ii) and (b) above, the relevant Credit Event Resolution Request Date, if any, occurred on or prior to the date described in paragraph (a)(i) above.

“PSN Effective Date” means the date on which an effective Calculation Agent Physical Settlement Notice or Calculation Agent Physical Settlement Amendment Notice, as the case may be, is delivered to the Issuer.

“Public Source” means each source of Publicly Available Information specified as such in the applicable Issue Terms or if no such source is specified in the applicable Issue Terms, 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.

“Publicly Available Information” means:

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

(i) has been published in or on not less than the Specified Number of 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 paragraphs **Error! Reference source not found.** or **Error! Reference source not found.** 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.

In relation to any information of the type described in paragraphs (a) **Error! Reference source not found.** and **Error! Reference source not found.** above, the Calculation Agent 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 entity disclosing 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 third parties.

- (b) Publicly Available Information need not state (i) in relation to the determination of any Downstream Affiliate, the percentage of Voting Shares owned, by the Reference Entity and (ii) that the relevant occurrence:
 - (i) has met the Payment Requirement or Default Requirement;
 - (ii) is the result of exceeding any applicable Grace Period; or
 - (iii) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs **Error! Reference source not found.** and **Error! Reference source not found.** of the definition of Repudiation/Moratorium below.

“Qualifying Affiliate Guarantee” means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

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

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
 - (i) by payment;
 - (ii) by way of Permitted Transfer;

- (iii) by operation of law;
- (iv) due to the existence of a Fixed Cap; or
- (v) due to:
 - (A) provisions permitting or anticipating a Governmental Intervention, if "Financial Reference Entity Terms" is specified as applicable in the applicable Issue Terms; or
 - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the applicable Issue Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy above 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:

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

"Qualifying Participation Seller" means any participation seller that meets the requirements specified in the applicable Issue Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

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

"Quotation" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be zero.

“Quotation Amount” means the amount specified as such in the applicable Issue Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in the applicable Issue Terms, the Calculation Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

“Quotation Dealer” means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Quotation Dealer specified in the applicable Issue Terms. If no Quotation Dealer(s) are specified in the applicable Issue Terms, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

“Quotation Method” means the applicable Quotation Method specified in the applicable Issue Terms by reference to one of the following terms:

- (a) **“Bid”** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **“Offer”** means that only offer quotations shall be requested from Quotation Dealers; or
- (c) **“Mid-market”** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for the purposes of determining a relevant Quotation Dealer’s quotation.

If a Quotation Method is not specified in the applicable Issue Terms, Bid shall apply.

“Reference Entity” means the entity specified as such in the applicable Issue Terms and any Successor. Any Successor to the Reference Entity either (a) identified pursuant to the definition of “Successor” on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the purposes of the relevant Securities.

“Reference Obligation” means the Standard Reference Obligation, if any, unless:

- (a) “Standard Reference Obligation” is specified as not applicable in the applicable Issue Terms, 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 applicable Issue Terms (or no election is specified in the Issue Terms), (ii) as of the Trade Date, there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the applicable Issue Terms, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

If the Standard Reference Obligation is removed from the SRO List (an **“SRO Removal Event”**) or the Standard Reference Obligation published would not have been eligible to be selected as a Substitute Reference Obligation, such obligation shall not be the Reference Obligation and, unless and until a new Standard Reference Obligation which is so eligible is published, the Reference Obligation shall be any Deliverable Obligation selected by the Issuer from time to time with the same level of seniority as the relevant Seniority Level (which, for the avoidance of doubt, may be the lowest value Deliverable Obligation available at the relevant time). If an SRO Removal Event has occurred or the Standard Reference Obligation

published would not have been eligible to be selected as a Substitute Reference Obligation and the Issuer determines that no such Deliverable Obligation is available, then notwithstanding the fact that the Standard Reference Obligation may have ceased to be the Reference Obligation, the Issuer may attempt to identify a Deliverable Obligation to be the Reference Obligation. The provisions of this definition may be applied by the Issuer on more than one occasion and are without prejudice to the right of the Calculation Agent to determine a Substitute Reference Obligation.”;

“Reference Obligation Only Securities” means any Securities in respect of which (a) “Reference Obligation Only” is specified as the Obligation Category and the Deliverable Obligation Category in the applicable Issue Terms and (b) “Standard Reference Obligation” is specified as not applicable in the applicable Issue Terms.

“Reference Transaction” means a hypothetical credit derivative transaction:

- (i) for which the Deliverable Obligation Category and Deliverable Obligation Characteristics are (i) the same as in respect of the Credit Linked Securities (if such Deliverable Obligation Category and Deliverable Obligation Characteristics are specified in the applicable Issue Terms) or (ii) if and to the extent the Deliverable Obligation Category and Deliverable Obligation Characteristics are not specified, the Deliverable Obligation Category and Deliverable Obligation Characteristics determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;
- (ii) with a scheduled termination date matching the Maturity Date of the Credit Linked Securities; and

otherwise having such other and/or different characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Hedging Arrangements (if any) and/or any credit derivative elections made in relation to the Credit Linked Securities.”; and

“Relevant City Business Day” has the meaning given to that term in the DC Rules.

“Relevant Guarantee” means a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in the applicable Issue Terms, a Qualifying Guarantee.

“Relevant Holder” means a holder of the latest Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Amount specified in respect of such Prior Deliverable Obligation or Package Observable Bond in the Physical Settlement Notice or Physical Settlement Amendment Notice, as applicable.

“Relevant Obligations” means the Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan” and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under paragraph **Error! Reference source not found.** of the definition of Successor below, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan” that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;

- (c) if “Financial Reference Entity Terms” is specified as applicable in the applicable Issue Terms and (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan”; and
- (d) if “Financial Reference Entity Terms” is specified as applicable in the applicable Issue Terms, and the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, 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 only include the Senior Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan”.

“Replacement Deliverable Obligation” has the meaning given to that term in paragraph 2.

“Representative Amount” means an amount that is representative for a single transaction in the relevant market and at the relevant time, which amount will be determined by the Calculation Agent.

“Repudiation/Moratorium” means the occurrence of both of the following events:

- (e) an authorised officer of the Reference Entity or a Governmental Authority:
 - (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
 - (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (f) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

“Repudiation/Moratorium Evaluation Date” means, if a Potential Repudiation/Moratorium occurs on or prior to the Maturity Date or relevant Interest Payment Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) 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 (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

“Repudiation/Moratorium Extension Condition” is satisfied:

- (a) 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 21 calendar days after the Maturity 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 Maturity Date; or

- (b) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and unless “Notice of Publicly Available Information is specified as not applicable in the applicable Issue Terms, a Notice of Publicly Available Information by the Calculation Agent to the Issuer that are each effective on or prior to the date that is 21 calendar days after the Maturity Date,

provided that 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 relevant 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 Maturity Date).

“Repudiation/Moratorium Extension Notice” means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Maturity Date). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

“Resolve” has the meaning given to that term in the DC Rules, and **“Resolved”** and **“Resolves”** shall be interpreted accordingly.

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

“Restructuring” means, 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 the 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:

- (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;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (A) the payment in euro of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (B) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (C) the occurrence of, agreement to or announcement of any of the events described in paragraphs **Error! Reference source not found.** to **Error! Reference source not found.** due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (D) the occurrence of, agreement to or announcement of any of the events described in paragraphs **Error! Reference source not found.** to **Error! Reference source not found.** 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 paragraph **Error! Reference source not found.** 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.

For purposes of this definition of Restructuring and paragraph 10 above, 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 the definition of Restructuring (other than in paragraphs (A) to (D) of this definition of Restructuring) and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (A) to (D) of this definition of Restructuring shall continue to be deemed to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs **Error! Reference source not found.** to **Error! Reference source not found.** 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.

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

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

Latest Maturity Restructured Bond or Loan. For these purposes, the final maturity date shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

"Revised Currency Rate" means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent.

"Seniority Level" means, with respect to an obligation of the Reference Entity:

- (a) "Senior Level" or "Subordinated Level" as specified in the applicable Issue Terms, or
- (b) if no such seniority level is specified in the applicable Issue Terms, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which
- (c) "Senior Level".

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

"Settlement Currency" means the currency specified as such in the applicable Issue Terms, or if no currency is specified in the applicable Issue Terms, the Specified Currency of the Securities.

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

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

"Sovereign Restructured Deliverable Obligation" means an Obligation of a 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 paragraph (a) of the definition of "Deliverable Obligation" above, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"Sovereign Succession Event" means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or, other similar event.

"Specified Number" means the number of Public Source(s) specified in the applicable Issue Terms, or if no such number is specified in the applicable Issue Terms, two.

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

“Standard Reference Obligation” means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

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

“Steps Plan” means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

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

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

- (a) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with paragraphs (c), (d) and (e) below to replace the Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (b) If any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the “Not Subordinated” Obligation Characteristic or “Not Subordinated” Deliverable Obligation Characteristic and paragraph (c)(ii)). If the event set forth in paragraph (b)(i) of the definition of Substitution Event below has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under paragraphs (a) or (b)(ii) of the definition of Substitution Event below occur with respect to such Non-Standard Reference Obligation.
- (c) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
 - (i) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (ii) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (iii) (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
 - (1) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,

- (2) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above;
 - (B) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
 - (1) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (2) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
 - (3) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (4) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or
 - (C) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
 - (1) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 - (2) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 - (3) is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
 - (4) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation above.
- (d) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in paragraph (c) above, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the Securities as determined by the Calculation Agent. The Calculation Agent will notify the Securityholders in accordance with the General Conditions of the Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with paragraph (c) above and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (e) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to paragraph (a) above and notwithstanding the fact that the Non-Standard Reference

Obligation may have ceased to be the Reference Obligation in accordance with paragraph (b) above, the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

- (f) For the avoidance of doubt, no Substitute Reference Obligation shall be determined in respect of any Securities that are Reference Obligation Only Securities.

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

“Substitution Date” means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Issuer of the Substitute Reference Obligation that it has identified in accordance with the definition of Substitute Reference Obligation above.

“Substitution Event” means, with respect to the Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole; or
- (b) provided that the Securities to which the Non-Standard Reference Obligation relates are not Reference Obligation Only Securities:
- (i) 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
 - (ii) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation’s CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event. If an event described in paragraphs (a) or (b)(i) above has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to paragraphs (a) or (b)(i) above as the case may be, on the Trade Date.

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

“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 paragraph **Error! Reference source not found.** of the definition of Successor below would not be affected by any further related successions in respect of such Steps Plan, or (ii) the occurrence of a Credit Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

“Successor” means:

- (a) subject to paragraph (b) below, the entity or entities, if any, determined as follows:
- (i) subject to paragraph (vii), if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to 75 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 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 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 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor, and the Calculation Agent shall adjust such of these Terms and Conditions and/or the provisions of the applicable Issue Terms as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment;
 - (iv) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 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 Calculation Agent shall adjust such of these Terms and Conditions and/or the provisions of the applicable Issue Terms as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment;
 - (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 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
 - (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 25 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 Calculation Agent shall adjust such of these Terms and Conditions and/or the provisions of the applicable Issue Terms as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment); 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; and
- (b) an entity may only be a Successor if:

- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after January 1, 2014;
- (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
- (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph **Error! Reference source not found.**, provided that the Calculation Agent will not make any such determination if, at the time of determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under this definition of Successor on the basis of Eligible Information and will, as soon as practicable after such calculation or determination, make such calculation or determination available for inspection by Securityholders at the specified office of each of the Relevant Agents. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph **Error! Reference source not found.**, 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.

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.

For the purposes of this definition of "**Successor**", "**succeed**" means, with respect to the Reference Entity and its Relevant Obligations that an entity other than the Reference Entity (1) 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 (2) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans as applicable. For purposes of this definition of "**Successor**", "**succeeded**" and "**succession**" shall be construed accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph **Error! Reference source not found.** of this definition of "**Successor**" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

Where pursuant to paragraph **Error! Reference source not found.** or (iv) or (vi) above, more than one Successor has been identified, the Calculation

Agent shall adjust such terms of the Terms and Conditions as it determines appropriate to reflect the fact that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be entitled but not obliged to make such adjustments in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Securities under the provisions of the 2014 ISDA Credit Derivatives Definitions. Upon making such adjustment, the Calculation Agent shall give notice as soon as practicable to Securityholders in accordance with the General Conditions, stating the adjustment to these Terms and Conditions and/or the applicable Issue Terms and giving brief details of the relevant Successor event.

Notwithstanding the provisions above and sub-paragraph (b) of the definition of Reference Entity, where one or more Reference Entities (each an "**Affected Reference Entity**") and/or the Issuer would, but for this provision, be identified as a Successor to another Reference Entity pursuant to the above provisions and at least one other entity which is not a Reference Entity or the Issuer is also identified as a Successor for the purposes of any succession, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a "**Successor**" for the purposes of the Securities. Where pursuant to the provisions above or sub-paragraph (b) of the definition of Reference Entity one or more Reference Entities (each an "Affected Reference Entity") and/or the Issuer would, but for this provision, be identified as a Successor to another Reference Entity pursuant to the above provisions but no other entities (that are not Reference Entities or the Issuer) are identified as a Successor in respect of the relevant succession, each Affected Reference Entity and/or the Issuer, as applicable, shall not be regarded as a "Successor" for the purposes of the Securities and, in respect of each Affected Reference Entity or the Issuer, as applicable, the Calculation Agent shall use reasonable endeavours to (a) select an Alternative Reference Entity to be the Successor in respect of the relevant succession and (b) select an Alternative Reference Obligation to be the Reference Obligation in respect of such Alternative Reference Entity after the relevant succession and the Calculation Agent may make such adjustments to the Conditions and/or the Issue Terms as it determines to be necessary or desirable to reflect such Alternative Reference Entity and Alternative Reference Obligation. If the Calculation Agent is unable to select an Alternative Reference Entity or an Alternative Reference Obligation, then: (i) no Successor shall be appointed; (ii) the Affected Reference Entity to which the relevant succession relates shall be deemed to have ceased to be a Reference Entity; (iii) that portion of any interest payable which is referable to the purchase of credit protection purchased by the Issuer under the Securities in respect of the Affected Reference Entity shall be reduced accordingly as determined by the Calculation Agent; and (iv) the Calculation Agent may make such adjustments to the Conditions and/or the Issue Terms to account for the Successor Associated Costs, which may include, without limitation, reducing the Final Redemption Amount, Credit Event Redemption Amount, Auction Cash Settlement Amount or the Asset Amount (as the case may be) by an amount equal to the Successor Associated Costs, in each case with effect from the date determined by the Calculation Agent to be the relevant Succession Date.

Where:

"**Alternative Reference Entity**" means an entity which satisfies both the Industry Requirement (other than in the case of a Sovereign) and the Spread Requirement as determined by the Calculation Agent;

"**Alternative Reference Obligation**" means any obligation of the Alternative Reference Entity selected by the Calculation Agent which, as far as practicable, in the determination of the Calculation Agent is substantially similar in economic terms to the relevant Reference Obligation of the Reference Entity for which a Successor falls to be determined pursuant to

this definition of "Successor". An Alternative Reference Obligation may or may not be the applicable Standard Reference Obligation for the Alternative Reference Entity;

"Industry Requirement" means an entity that is in the same industry group as the Reference Entity for which a Successor falls to be determined pursuant to this definition of "Successor", as determined by the Calculation Agent by reference to such source(s) as it determines appropriate, including any international market data sources;

"Spread" means the bid-side quotation obtained by the Calculation Agent from such leading dealer in the credit default swap market selected by the Calculation Agent for a credit default swap in respect of the relevant entity with a credit protection period commencing on the date determined by the Calculation Agent to be the date of the relevant Succession Date and ending on the Maturity Date and with the Reference Obligation(s) specified in the Issue Terms or Alternative Reference Obligation(s), as applicable;

"Spread Requirement" means an entity that, as at the date of selection, has a Spread not greater than the Spread of the Reference Entity for which a Successor falls to be determined pursuant to this definition of "Successor", immediately prior to the relevant Succession Date as determined by the Calculation Agent; and

"Successor Associated Costs" means an amount per nominal amount of the Securities (which may not be less than zero) equal to such Securities' pro rata share of the total amount of any and all costs and losses associated with or incurred by the Issuer and/or any Affiliate in connection with the Affected Reference Entity ceasing to be a Reference Entity, including, without limitation, any costs and losses associated with or incurred by the Issuer and/or any Affiliate in connection with unwinding, substituting, re-establishing and/or incurring any funding relating to the Securities and/or any hedge positions (including without limitation, any derivative transaction) relating to the Securities, and any related costs due to costs or losses being incurred prior to the maturity or settlement of the Securities, all as determined by the Calculation Agent.

"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 not more than fourteen calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Successor Notice" means an irrevocable notice from the Calculation Agent 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.

A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to paragraph **Error! Reference source not found.** of the definition of Successor above.

"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.

“Trade Date” means the date specified as such in the applicable Issue Terms.

“Transaction Auction Settlement Terms” means the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), ISDA may publish one or more form(s) of Credit Derivatives Auction Settlement Terms on its website at www.isda.org (or any successor website thereto) and may amend such forms from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, inter alia, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the Credit Linked Notes shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in these Credit Linked Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the Credit Linked Notes.

“Transaction Type” means, in respect of a Reference Entity, the transaction type specified in respect of such Reference Entity in the applicable Issue Terms.

“Undeliverable Obligation” means a Deliverable Obligation included in the **Asset Amount** which, on the **Physical Settlement Date** for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order, contractual restrictions, statutory restrictions or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Consent Required Loans or Assignable Loans or non-delivery of an Asset Transfer Notice or any relevant information by a holder) it is impossible or illegal to Deliver on the Physical Settlement Date.

“Underlying Obligation” means, with respect to a guarantee, the obligation which is the subject of the guarantee.

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

“Valuation Date” means (a) where Partial Cash Settlement applies pursuant to paragraph 8 (*Partial Cash Settlement*), the [second] Business Day following the Final Delivery Date or otherwise (b) if “Single Valuation Date” is specified in the applicable Issue Terms subject to paragraph 14 (*Settlement Suspension*) above, the date that is the number of Business Days specified in the applicable Issue Terms after the Credit Event Determination Date or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date above or paragraph (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) or (c) following the occurrence of a Fallback Settlement Method Event in respect of Auction Settled Securities for which “Cash Settlement” is specified as the applicable Fallback Settlement Method in the applicable Issue Terms, the date that is the number of Business Days specified in the applicable Issue Terms after the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any (as applicable) or the date of such other event giving rise to the Fallback Settlement Method Event or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the relevant date, or (d) if “Multiple Valuation Dates” is specified in the applicable Issue Terms, each of the following dates:

- (i) subject to paragraph 14 (*Settlement Suspension*) above, (x) the date that is the number of Business Days specified in the applicable Issue Terms (or, if the number of Business Days is not specified, a Business Day selected by the Calculation Agent that is not less than five and not more than sixty Business Days after the occurrence of a Credit Event Determination Date (or if the Credit Event Determination Date occurs pursuant to paragraph (a)(ii) of the definition of Credit Event Determination Date above or paragraph (b)(i) of the definition of Non-Standard Credit Event Determination Date, the day on which the DC Credit Event Announcement occurs) or (y) following the occurrence of a Fallback Settlement Method Event in respect of Auction Settled Securities for which “Cash Settlement” is specified as the applicable Fallback Settlement Method in the applicable Issue Terms, the date that is the number of Business Days specified in the applicable Issue Terms after the Auction Cancellation Date, if any, the relevant No Auction Announcement Date, if any, (as applicable) or the date of such other event giving rise to the Fallback Settlement Method Event or, if the number of Business Days is not so specified, a Business Day selected by the Calculation Agent that is not less than five (5) and not more than sixty (60) Business Days after the relevant date; and
- (ii) each successive date that is the number of Business Days specified in the applicable Issue Terms (or if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is specified in the applicable Issue Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Issue Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the applicable Issue Terms, Single Valuation Date shall apply.”.

“Valuation Method”:

- (a) The following Valuation Methods may be specified in the applicable Issue Terms with only one Valuation Date:
 - (i) **“Market”** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
 - (ii) **“Highest”** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.
- (b) If no such Valuation Method is specified in the applicable Issue Terms, the Valuation Method shall be Highest.
- (c) The following Valuation Methods may be specified in the applicable Issue Terms with more than one Valuation Date:
 - (i) **“Average Market”** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
 - (ii) **“Highest”** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
 - (iii) **“Average Highest”** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

- (d) If no such Valuation Method is specified in the applicable Issue Terms, the Valuation Method shall be Average Highest.

Notwithstanding paragraphs **Error! Reference source not found.** to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Calculation Agent may at its option determine that the Valuation Method shall be Market or Average Market, as the case may be.

“Valuation Time” means the time specified as such in the applicable Issue Terms or, if no time is so specified, 11:00 a.m. in the principal trading market for the Reference Obligation.

“Voting Shares” means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

“Weighted Average Quotation” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference 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 the aggregate are approximately equal to the Quotation Amount.

CREDIT TERMS (2014 ISDA CREDIT DERIVATIVES DEFINITION VERSION)

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be applied by the Issuer for general funding purposes.

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