

## BASE PROSPECTUS



### CREDIT INDUSTRIEL ET COMMERCIAL

(a "société anonyme à conseil d'administration" organised under the laws of the Republic of France)

€8,000,000,000

### Structured Euro Medium Term Note Programme

Under this €8,000,000,000 Structured Euro Medium Term Note Programme (the **Programme**), Crédit Industriel et Commercial (the **Issuer** or **CIC** or **Crédit Industriel et Commercial**) may from time to time issue notes including credit linked notes, notes relating to a specified index or a basket of indices, a specified equity security or a basket of equity securities, a specified inflation index or a basket of inflation indices, a specified currency or a basket of currencies, a specified commodity or a basket of commodities, a specified fund or a basket of funds, a specified bond or a basket of bonds, a specified interest rate or a basket of interest rates or any combination thereof (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €8,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

The Notes may be governed by English law (the **English Law Notes**) or French law (the **French Law Notes**), and together with the English Law Notes, the **Notes**), as specified in the applicable Final Terms, and the corresponding provisions in the terms and conditions will apply to such Notes.

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

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act 2005**) to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application may also be made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. In relation to Notes listed on the Luxembourg Stock Exchange, this Base Prospectus is valid for a period of one year from the date hereof.

This Base Prospectus supersedes and replaces the Base Prospectus dated 28 June 2018 which has been approved by the CSSF.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (as defined below) will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the English Law Notes*" or "*Terms and Conditions of the French Law Notes*", as applicable, together the **Terms and Conditions of the Notes**) of Notes will be set out in a final terms (the **Final Terms**) which, with respect to Notes to be listed on the Luxembourg Stock Exchange will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a Supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes. Any person (an **Investor**) intending to acquire or acquiring any securities from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in the Prospectus Directive (as defined below), the Issuer may be responsible to the Investor for the Base Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of Article 6 of the Prospectus Directive (as defined below) as implemented by the national legislation of each EEA Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents it should take legal advice.

The long term debt of the Issuer has been rated A by S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc (**S&P**), Aa3 by Moody's Investors Service Ltd (**Moody's**) and A+ by Fitch Ratings Limited (**Fitch**). A rating by S&P denotes a strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances. Aa3 rating by Moody's is judged to be a high quality and subject to very low default risk. A+ rating by Fitch denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. Each of S&P, Moody's, and Fitch (the **Rating Agencies**) is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same

as the rating assigned to the Programme by the Rating Agencies. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable under the Notes may be calculated by reference to one or more “benchmarks” for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the **Benchmark Regulation**). In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the “benchmark” is included in ESMA’s register of administrators under Article 36 of the Benchmark Regulation.

**Arranger**

**CREDIT INDUSTRIEL ET COMMERCIAL**

**Dealers**

**BANQUE DE LUXEMBOURG**

**CIC EST**

**CREDIT INDUSTRIEL ET COMMERCIAL**

The date of this Base Prospectus is 26 June 2019

## IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the Prospectus Directive) as amended or superseded).

Certain information contained in this Base Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Final Terms will (if applicable) specify the nature of the responsibility (if any) taken by the Issuer.

This Base Prospectus is to be read in conjunction with any supplement thereto and all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

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 this Base 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 or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base 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 or, any of the Dealers to any person to subscribe for or to purchase any Notes.

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

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold

or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)** – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES WHERE THERE IS NO EXEMPTION FROM THE OBLIGATION UNDER THE PROSPECTUS DIRECTIVE TO PUBLISH A PROSPECTUS**

### **Restrictions on Public offers of Notes in Relevant Member States**

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a **Public Offer**. This Base Prospectus has been prepared on a basis that permits Public Offers of Notes. However, any person making or intending to make a Public Offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*" and the terms of that consent are complied with by the person (the **Offeror**) making the Public Offer of such Notes.

Save as provided above, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

### **Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)**

Any person (an **Investor**) intending to acquire or acquiring any Notes from any Offeror other than the Issuer or a relevant Dealer should be aware that, in the context of a Public Offer of such Notes, the Issuer will be responsible to the Investor for this Base Prospectus under Article 6 of the Prospectus Directive only if the Issuer has consented to the use of this Base Prospectus by that Offeror to make the Public Offer to the Investor. None of the Issuer or any Dealer makes any representation as to the compliance by that Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Offeror. **Save as provided below, neither the Issuer nor any Dealer has authorised the making of any Public Offer by any Offeror or consented to the use of this Base Prospectus by any other person in connection with any Public Offer of Notes. Any Public Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.** If the Issuer has not consented to the use of this Base Prospectus by an Offeror, the Investor should check with the Offeror whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Directive in the context of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

In connection with each Tranche of Notes, and provided that the applicable Final Terms specifies an Offer Period, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of such Notes subject to the following conditions:

- (i) the consent is only valid during the Offer Period so specified;
- (ii) the only Offerors authorised to use this Base Prospectus to make the Public Offer of the relevant Tranche of Notes are the relevant Dealer and either:
  - (a) (i) if the applicable Final Terms names financial intermediaries authorised to offer the Notes, the financial intermediaries so named or (ii) if the Issuer has given its consent to the appointment of additional financial intermediaries after the date of the applicable Final Terms and publishes details of them on its website <https://www.cic.fr>, each financial intermediary whose details are so published; or
  - (b) in any other case, any financial intermediary which is authorised to make such offers under Directive 2014/65/EU (the Markets in Financial Instruments Directive), subject as the case may be to any other conditions set out in Part B of the applicable Final Terms, provided that such financial intermediary states on its website that it has been duly appointed as a financial intermediary to offer the relevant Tranche of Notes during the Offer Period and that it is relying on this Base Prospectus to do so; and
- (iii) the consent only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in each Relevant Member State specified in the applicable Final Terms, being either France, Luxembourg, Germany or the United Kingdom.

**Any Offeror falling within sub-paragraph (ii)(b) above who meets all of the other conditions stated above and wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website that it is relying on this Base Prospectus for such Public Offer with the consent of the Issuer.**

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus. The Issuer accepts responsibility, in the jurisdictions to which the consent to use the Base Prospectus extends, for the content of this Base Prospectus in relation to any Investor who acquires any Notes in a Public Offer made by any person to whom consent has been given to use this Base Prospectus in that connection in accordance with the preceding paragraph, provided that such Public Offer has been made in accordance with all the Conditions attached to that consent.

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE TERMS AND CONDITIONS OF THE PUBLIC OFFER SHALL BE PROVIDED TO INVESTORS BY THE OFFEROR AT THE TIME OF THE PUBLIC OFFER. NONE OF THE ISSUER OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

## **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY**

**This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base 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 this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area including France, Italy, Switzerland and United Kingdom, see "*Subscription and Sale*".**

**Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers whether it:**

- (i) has 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 Base Prospectus or any applicable supplement and in the Final Terms;**
- (ii) has 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;**
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;**
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant underlying and financial markets; and**
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

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. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

## PRESENTATION OF INFORMATION

**In this Base Prospectus, unless otherwise specified or the context otherwise requires, all references to:**

- "€", "**Euro**", "**EUR**" or "**euro**" are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999;
- "£", "**pounds sterling**", "**GBP**" and "**Sterling**" are to the lawful currency of the United Kingdom;
- "\$", "**USD**" and "**U.S. Dollars**" are to the lawful currency of the United States of America;
- "**AUD**" is to the lawful currency of Australia;
- "**CAD**" is to the lawful currency of Canada;
- "¥", "**JPY**", "**Japanese yen**" and "**Yen**" are to the lawful currency of Japan;
- "**CNY**", "**RMB**" and "**Renminbi**" are to the lawful currency of the People's Republic of China; and
- "**Swiss francs**" or "**CHF**" are to the lawful currency of Switzerland.

Any other applicable reference to a currency shall be specified in the Final Terms.



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## STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary with the mention of "Not Applicable".

### Section A – Introduction and warnings

Element	
<p><b>A.1</b></p> <p><b>General warning concerning the summary</b></p>	<p><b>Introduction</b></p> <p><b>This summary should be read as an introduction to the Base Prospectus.</b></p> <p><b>Any decision to invest in any Notes should be based on a consideration of the Base Prospectus as a whole.</b></p> <p><b>Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</b></p> <p><b>Civil liability will attach to the Issuer solely on the basis of this summary, including any translation hereof, but only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</b></p>
<p><b>A.2</b></p> <p><b>Information concerning Issuer consent relating to use of the Prospectus</b></p>	<p><b>Consent</b></p> <p>[Not Applicable – The Issuer has not consented to the use of the Base Prospectus by any other person to resell or place any Notes.] OR [The Issuer consents to the use of this Base Prospectus in connection with a resale or placement of Notes in circumstances where a prospectus is required to be published under the Prospectus Directive (a <b>Public Offer</b>) subject to the following conditions:</p> <p>(i) the consent is only valid during the [<i>offer period for the issue to be specified here</i>] (the <b>Offer Period</b>);</p> <p>(ii) the only persons authorised to use the Base Prospectus to make the Public Offer (<b>Offerors</b>) are [<i>Offerors for the issue to be set out here</i>] and, if the Issuer has given its consent to the appointment of additional financial intermediaries after the date of the applicable Final Terms and publishes details of them on its website, each financial intermediary whose details are so published] / [any financial intermediary which is authorised to make such offers under Directive 2014/65/EU (the Markets in Financial Instruments Directive) subject to the following other conditions [<i>specify any other conditions applicable to the Public Offer of the particular Tranche</i>] and acknowledges on its website that it has been duly appointed as an Offeror to offer</p>

Element	
	<p>the Notes during the Offer Period and states that it is relying on the Base Prospectus to do so, provided that such financial intermediary has in fact been so appointed]; and</p> <p>(iii) the consent only extends to the use of this Base Prospectus to make Public Offers of the Notes in [France, Luxembourg, Germany or United Kingdom].</p> <p><b>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE TERMS AND CONDITIONS OF THE PUBLIC OFFER SHALL BE PROVIDED TO INVESTORS BY THE OFFEROR AT THE TIME OF THE PUBLIC OFFER. NONE OF THE ISSUER OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.</b></p>

## Section B – Issuer

Element	Title							
<b>B.1</b>	Legal and commercial name of the Issuer	Crédit Industriel et Commercial ( <b>CIC</b> or the <b>Issuer</b> )						
<b>B.2</b>	Domicile/ legal form/ legislation/ country of incorporation	The Issuer is a <i>société anonyme</i> incorporated and domiciled in Paris, France under the French <i>Code de Commerce</i> .						
<b>B.4b</b>	Trend information	Not Applicable. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year indicated by the Issuer.						
<b>B.5</b>	Description of the Group	<p>The Issuer is the holding company and head of the bank network serving the greater Paris region, comprises five regional banks and specialist entities covering all areas of finance and insurance both in France and abroad. The entities are:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; vertical-align: top;">Retail banking network:</td> <td>CIC Nord Ouest (100%), CIC Ouest (100%), CIC Sud Ouest (100%), CIC Est (100%), CIC Lyonnaise de Banque (100%)</td> </tr> <tr> <td style="vertical-align: top;">Private banking:</td> <td>CIC Banque Transatlantique (100%), Banque CIC Suisse (100%), Banque de Luxembourg (100%),</td> </tr> <tr> <td style="vertical-align: top;">Private equity</td> <td>CM-CIC Investissement (100%)</td> </tr> </table>	Retail banking network:	CIC Nord Ouest (100%), CIC Ouest (100%), CIC Sud Ouest (100%), CIC Est (100%), CIC Lyonnaise de Banque (100%)	Private banking:	CIC Banque Transatlantique (100%), Banque CIC Suisse (100%), Banque de Luxembourg (100%),	Private equity	CM-CIC Investissement (100%)
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Private banking:	CIC Banque Transatlantique (100%), Banque CIC Suisse (100%), Banque de Luxembourg (100%),							
Private equity	CM-CIC Investissement (100%)							
		<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; vertical-align: top;">Specialised businesses:</td> <td>CM-CIC Asset Management (23.5%), CM-CIC Epargne Salariale (99.9%), CM-CIC Bail (99.2%), CM-CIC Lease (54.1%), CM-CIC Factor (95.5%) CM-CIC Aidexport (100%)</td> </tr> <tr> <td style="vertical-align: top;">Insurance:</td> <td>Groupe des Assurances du Crédit Mutuel (20.5%)</td> </tr> </table>	Specialised businesses:	CM-CIC Asset Management (23.5%), CM-CIC Epargne Salariale (99.9%), CM-CIC Bail (99.2%), CM-CIC Lease (54.1%), CM-CIC Factor (95.5%) CM-CIC Aidexport (100%)	Insurance:	Groupe des Assurances du Crédit Mutuel (20.5%)		
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Shared services companies:	Euro Information (12.5%), GIE CM_CIC Titres (no capital)							

Element	Title																												
		GIE CM-CIC Services (no capital)																											
<b>B.9</b>	Profit forecast or estimate	Not Applicable, no profit estimate or forecast has been made.																											
<b>B.10</b>	Audit report qualifications	Not Applicable – No qualifications are contained in the audit or review reports included in the Base Prospectus.																											
<b>B.12</b>	Key historical financial information	<p><b>Statement of Financial Position</b></p> <p>The tables below set out summary information extracted from the Issuer's audited statement of financial position as at 31 December 2017 and 31 December 2018:</p> <table border="1"> <thead> <tr> <th>Results (in € millions)</th> <th>31/12/2018</th> <th>31/12/2017</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>294,704</td> <td>264,840</td> </tr> <tr> <td>Shareholders' Equity – Group share</td> <td>15,502</td> <td>15,058</td> </tr> <tr> <td>Shareholders' Equity – Non-controlling interests</td> <td>49</td> <td>65</td> </tr> <tr> <td>Net banking income</td> <td>5,021</td> <td>4,991</td> </tr> <tr> <td>Operating income</td> <td>1,664</td> <td>1,685</td> </tr> <tr> <td>Income tax</td> <td>(494)</td> <td>(551)</td> </tr> <tr> <td>Net profit/(loss)</td> <td>1,395</td> <td>1,288</td> </tr> <tr> <td>Net profit/(loss) attributable to the Group</td> <td>1,385</td> <td>1,275</td> </tr> </tbody> </table> <p><b>Statements of significant or material adverse change</b></p> <p>There has been no significant change in the financial or trading position of the <b>Group</b> (being the Issuer and its consolidated subsidiaries taken as a whole) since 31 December 2018 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018.</p>	Results (in € millions)	31/12/2018	31/12/2017	Total Assets	294,704	264,840	Shareholders' Equity – Group share	15,502	15,058	Shareholders' Equity – Non-controlling interests	49	65	Net banking income	5,021	4,991	Operating income	1,664	1,685	Income tax	(494)	(551)	Net profit/(loss)	1,395	1,288	Net profit/(loss) attributable to the Group	1,385	1,275
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Net profit/(loss) attributable to the Group	1,385	1,275																											
<b>B.13</b>	Events impacting the Issuer's	Not Applicable. There are no events particular to the Issuer which are to a material extent relevant to an evaluation of its solvency.																											

<b>Element</b>	<b>Title</b>	
	solvency	
<b>B.14</b>	Dependence upon other Group entities	<p>See item B5 for the Group and the Issuer's position within the Group.</p> <p>The Issuer is the ultimate holding company of all the companies in the retail banking network, private banking and private equity sectors of the Group. The Issuer is also the holding company of seven specialised businesses in the Group and holds shares in three other companies which are controlled by Crédit Mutuel. As the holding company, the Issuer is dependent on the other members of the Group and revenues received from them.</p>
<b>B.15</b>	Principal activities	
	<b>Retail banking</b>	The core business of CIC comprises all of the Group's banking and specialist activities which products are distributed via the network's five regional divisions and the network in the greater Paris region. These include life insurance and property-casualty insurance, equipment leasing, real estate leasing, factoring, fund management, employee savings plans and real estate.
	<b>Financing</b>	Encompasses credit facilities for large corporate and institutional customers, specialized financing (export financing, project and asset financing, etc.), international operations and foreign branches.
	<b>Capital Markets</b>	Comprises, in general, customer and proprietary transactions involving interest rate instruments, foreign currencies and equities, including brokerage services.
	<b>Private banking</b>	Offers a broad range of finance and private asset management expertise to entrepreneurs and private investors.
	<b>Private equity</b>	Includes equity investments, M&A advisory and financial and capital markets engineering.
<b>B.16</b>	Controlling shareholders	As far as the Issuer is aware, as at the date of this Base Prospectus, Banque Fédérative du Crédit Mutuel ( <b>BFCM</b> ), a 93 per cent. subsidiary of the Caisse Fédérale de Crédit Mutuel, directly held 93.14 per cent. of the share capital of the Issuer and indirectly held a further 6.25 per cent. through its 90 per cent. subsidiary, Mutuelles Investissement. BFCM is therefore the controlling shareholder of the Issuer.
<b>B.17</b>	Credit ratings	The long term debt of the Issuer has been rated A by S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc ( <b>S&amp;P</b> ), Aa3 by Moody's Investors Service Ltd ( <b>Moody's</b> ) and A+ by Fitch Ratings Limited ( <b>Fitch</b> ). A rating by S&P denotes a strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances. Aa3 rating by Moody's is judged to be a high quality and subject to very low default risk. A+ rating by Fitch denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. [The Notes have [not] been rated [ <i>specify rating(s) of Tranche being issued</i> ] by [ <i>specify rating agency(ies)</i> ].

Element	Title	
		<p>Each of S&amp;P, Moody's, and Fitch (the <b>Rating Agencies</b>) is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the <b>CRA Regulation</b>). As such each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <a href="https://www.esma.europa.eu/supervision/credit-rating-agencies/risk">https://www.esma.europa.eu/supervision/credit-rating-agencies/risk</a>) in accordance with the CRA Regulation.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>



## Section C – Securities

Element	Title	
C.1	Description of Notes/ISIN	The Notes are [fixed rate] / [floating rate] / [fixed to floating rate] / [zero coupon] / [fixed-to-structured rate Notes] / [floating-to-structured rate Notes] / [zero coupon-to-structured rate Notes] / [credit linked] / [index linked] / [equity linked] / [inflation linked] / [currency linked] / [commodity linked] / [fund linked] / [bond linked] / [rate linked] / [combined] Notes and the International Securities Identification Number ( <b>ISIN</b> ) of the Notes is [●].
C.2	Currency	<p>Subject to compliance with all relevant laws, regulations and directives, Notes issued under the Programme may be denominated in any currency agreed between the Issuer and the relevant Dealer.</p> <p>The currency of the Notes is [●].</p>
C.5	Restrictions on free transferability	Not Applicable. There are no restrictions on the free transferability of the Notes.
C.8	Rights attached to the Notes, including ranking and limitation of these rights	<p><b><u>Rights attached to the Notes</u></b></p> <p><b><i>Interest Payments</i></b></p> <p>The interests paid under a Note can be calculated by combination of a type of coupon (specified item C.9 below) with one or several term(s) of payment (specified item C.10 below).</p> <p>[The Notes are [fixed rate Notes] / [zero coupon Notes] / [floating rate Notes] / [fixed to floating rate Notes] / [fixed-to-structured rate Notes] / [floating-to-structured rate Notes] / [zero coupon-to-structured rate Notes] / [participative coupon Notes] / [internal rate of return coupon Notes] / [combined Notes].]/[The Notes do not bear any interest.]</p> <p><b><i>Negative pledge</i></b></p> <p>The terms of the Notes contain a negative pledge provision in respect of any present or future indebtedness which is in the form of notes, bonds, debentures, debenture stock, loan stock or other securities which (with the consent of the issuer of the indebtedness) are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and any guarantee or indemnity in respect of any such indebtedness unless, in the case of a security interest, a similar security interest is granted to the Notes.</p>

Element	Title	
		<p><b><i>Repayment</i></b></p> <p>The Notes provide for repayment [at par] / [of an index linked/equity linked/credit linked/inflation linked/fund linked/currency linked/commodity linked/bond linked/rate linked redemption amount] on the maturity date.</p> <p><b><i>Early Redemption</i></b></p> <p>The Issuer is entitled to redeem the Notes prior to the maturity date for taxation reasons. Noteholders are entitled to call for redemption in case of an event of default.</p> <p><i>[Insert in the case of a call option of the Issuer: In addition, the Issuer has the right to redeem the Notes prior to the maturity date on [date(s)], subject to prior notice.]</i></p> <p><i>[Insert in the case of a put option of the Noteholder: [In addition, [e][E]ach Noteholder is entitled to call its Notes for early repayment on [date(s)], subject to prior written notice to the agent.]]</i></p> <p><b><i>Taxation</i></b></p> <p>All payments in respect of the Notes and, with respect to English Law Notes, Receipts or Coupons, will be made without deduction for or on account of withholding taxes imposed by France or any political subdivision or any authority thereof or therein having power to tax, unless such withholding is required by law. In the event that any such withholding is made, the Issuer will, save in certain limited circumstances provided in Condition 7 (Taxation) of the Terms and Conditions of the English Law Notes and Condition 10 (Taxation) of the Terms and Conditions of the French Law Notes, as the case may be, be required to pay additional amounts to cover the amounts so withheld.</p> <p><b><i>Events of default</i></b></p> <p>The terms of the Notes contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> <li>(a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;</li> <li>(b) non-performance or non-observance by the Issuer of any of its respective other obligations under the conditions of the Notes, continuing for a specified period of time; and</li> <li>(c) events relating to the insolvency or winding up of</li> </ul>

Element	Title	
		the Issuer.
		<p><b><i>Meetings</i></b></p> <p><i>[In the case of English Law Notes:</i> The terms of the Notes contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.]</p> <p><i>[In the case of French Law Notes:</i> The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (the <b>Masse</b>) which will be governed by the provisions of articles L.228-46 et seq. of the French <i>Code de commerce</i> with the exception of article R.228-69 of the French <i>Code de commerce</i> and as supplemented by the Terms and Conditions of the French Law Notes.</p> <p>The Masse will act in part through a representative (the <b>Representative</b>) and in part through collective decisions of the holders of Notes. The names and addresses of the initial Representative and its alternative representative will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single Masse of all Tranches in such Series.</p> <p>Collective decisions are adopted either in a general meeting or by consent following a written consultation.</p> <p>If and for so long as the Notes of any Series are held by a single Noteholder, and unless a Representative has been appointed in respect of such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the Masse by the provisions of the French <i>Code de commerce</i>. Such sole Noteholder shall hold a register of decisions it will have taken in such capacity and shall make it available, upon request, to any subsequent holder of all or part of the Notes of such Series.]</p> <p><b><i>Status</i></b></p> <p>The Notes constitute direct, unconditional, unsubordinated and (subject to the negative pledge) unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other</p>

Element	Title	
		<p>than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p><b><u>Limitation of the rights:</u></b></p> <p><b><i>Prescription</i></b></p> <p>The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the date on which such payment first becomes due.</p> <p><b><i>Governing law</i></b></p> <p>[<i>In the case of English Law Notes:</i> The Agency Agreement, the Deed of Covenant, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with any of the aforementioned agreements, deeds and documents are governed by, and shall be construed in accordance with, English law.]</p> <p>[<i>In the case of French Law Notes:</i> The French Law Agency Agreement and the Notes shall be construed in accordance with French law.]</p>
<p>[C.9</p> <p><i>(NB. Delete C.9 if the Notes are derivative instruments to which Annex XII of the Prospectus Regulation applies)</i></p>	<p>Interest/Redemption</p>	<p>See Element C8</p> <p><b><i>Interest</i></b></p> <p><i>(For fixed to floating rate Notes, fixed-to-structured rate Notes, floating-to-structured rate Notes, zero coupon-to-structured rate Notes and combined Notes, please refer to the relevant sections below)</i></p> <p><b>[Fixed Rate:</b> The Notes bear interest at the fixed rate of [<i>specify rate for Notes being issued</i>] per cent. per annum. The yield of the Notes is [<i>specify yield for Notes being issued</i>] per cent. Interest will be paid [<i>annually/semi annually/quarterly/other specify</i>] in [<i>arrear/advance</i>] on [<i>specify interest payment dates for Notes being issued</i>]. The first interest payment will be made on [<i>specify first interest payment date for Notes being issued</i>].]</p> <p><b>[Floating Rate:</b> The Notes bear interest at floating rates calculated by reference to [<i>specify reference rate for Notes being issued</i>] [<i>plus/minus</i>] a margin of [<i>specify margin for</i></p>

Element	Title	
		<p><i>Notes being issued</i>] per cent. Interest will be paid [annually/semi annually/quarterly/other specify] in [arrear/advance] on [specify interest payment dates for <i>Notes being issued</i>], subject to adjustment for non-business days. The first interest payment will be made on [specify first interest payment date for <i>Notes being issued</i>].]</p>
		<p><b>[Zero-Coupon:</b> The Notes do not bear any interest and will be offered and sold at a discount to their nominal amount.]</p> <p><b>[Participative Coupon:</b> The Notes bear interest at a rate calculated using a Performance. Interest will be paid [annually/semi annually/quarterly/other specify] in [arrear/advance] on [specify interest payment dates for <i>Notes being issued</i>]. The first interest payment will be made on [specify first interest payment date for <i>Notes being issued</i>].]</p> <p><b>[Internal Rate of Return Coupon:</b> The Notes bear interest at a rate calculated using an internal rate of return based on a Performance. Interest will be paid [annually/semi annually/quarterly/other specify] in [arrear/advance] on [specify interest payment dates for <i>Notes being issued</i>]. The first interest payment will be made on [specify first interest payment date for <i>Notes being issued</i>].]</p> <p><b>[Not Applicable:</b> The Notes do not bear any interest.]</p> <p><b>Redemption</b></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [specify final maturity date of <i>Notes being issued</i>] [at [100] [specify other percentage above 100 per cent.] per cent. of their nominal amount.] The Notes may be redeemed early for tax reasons [or [specify any other early redemption option applicable to the <i>Notes being issued</i>]] at [specify the early redemption price and any maximum or minimum redemption amounts, applicable to the <i>Notes being issued</i>].</p> <p>(NB. No formula should be inserted in this element.)</p> <p><b>Representative of holders</b></p> <p>[In the case of English Law Notes: Not Applicable. No representative of the Noteholders has been appointed by the Issuer.]</p> <p>[In the case of French Law Notes: In respect of the representation of the Noteholders, the Noteholders will, in respect of all Tranches in any Series, be grouped</p>

Element	Title	
		<p>automatically for the defence of their common interests in a <i>Masse</i>. The <i>Masse</i> will be governed by the provisions of articles L.228-46 <i>et seq.</i> of the French <i>Code de commerce</i> with the exception of Article R.228-69, and as supplemented by the Terms and Conditions of the French Law Notes.]</p> <p>[The <i>Masse</i> will act in part through a representative (the Representative) and in part through collective decisions of the Noteholders. The names and addresses of the initial Representative of the <i>Masse</i> and its alternative representative are [●]. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single <i>Masse</i> of all Tranches in such Series.</p> <p>Collective decisions are adopted either in a general meeting or by consent following a written consultation.]/</p> <p>[If and for so long as the Notes of any Series are held by a single Noteholder, and unless a Representative has been appointed in respect of such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the <i>Masse</i> by the provisions of the French <i>Code de commerce</i>. Such sole Noteholder (or its agent on its behalf) shall hold a register of the decisions it will have taken in such capacity, and shall make it available, upon request, to any subsequent holder of all or part of the Notes of such Series.]]</p>
<p><b>[C.10</b></p> <p><i>(NB. Delete C.10 if the Notes are derivative instruments to which Annex XII of the Prospectus Regulation applies)</i></p>	<p>Derivative component in interest payment</p>	<p>See Element C9</p> <p>[The interest payments on the Notes are calculated in accordance with the following formula [<i>specify the applicable term(s) of payment among the following: digital coupon, ratchet coupon, range coupon, multi range coupon, range accrual coupon, multi range accrual coupon, floater coupon, combination floater coupon, target coupon, reverse floater target coupon, forward floater coupon A, forward floater coupon B, conditional coupon, lock-in coupon, conditional coupon with lock-in, conditional coupon with memory effect, capitalized coupon and/or graded rate coupon</i>]]</p> <p>A [<i>insert the relevant formula</i>] provides that [<i>insert the description of the relevant formula</i>]. (<i>To be duplicated if several formulas are applicable.</i>)]</p>
<p><b>C.11</b></p>	<p>Admission to trading</p>	<p>[Notes issued under the Programme may be admitted to trading on the Luxembourg Stock Exchange or such other stock exchange or market specified below, or may be issued without being admitted to trading on any stock exchange or</p>

Element	Title	
		<p>market.]<sup>1</sup></p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market] of the [Luxembourg Stock Exchange/specify other regulated market] [The Notes are not intended to be admitted to trading on any market.]</p>
<p><b>[C.15</b></p> <p><i>(NB. Delete C.15 if the Notes are debt securities to which Annex V of the Prospectus Regulation applies)</i></p>	<p>Description of the impact of the value of the underlying on the value of the Notes</p>	<p>[The interest amount and/or redemption amounts on the Notes depend on the value of (an) underlying(s) which is/are likely to affect the investment in the Notes. Indeed, the value of the Notes will be affected by the [performance of [for equity linked Notes: [the shares of a company] [a basket of shares]] [for index linked Notes: [an index] [a basket of indices]] [for inflation linked Notes: [insert the relevant inflation]] [for credit linked Notes: [the credit risk and default of one or more reference entit[y][ies] [for currency linked Notes:[an exchange rate] [a basket of exchange rates]] [for commodity linked Notes:[a commodity] [a basket of commodities]] [for fund linked Notes: [a fund] [a basket of funds]] [for bond linked Notes: the default of one or more bond(s)] [for rate linked Notes: [an interest rate] [a basket of interest rates]]]</p>
<p><b>[C.16</b></p> <p><i>(NB. Delete C.16 if the Notes are debt securities to which Annex V of the Prospectus Regulation applies)</i></p>	<p>Exercise date/final reference date</p>	<p>[insert date]]</p>
<p><b>[C.17</b></p> <p><i>(NB. Delete C.17 if the Notes are debt securities to which Annex V of the</i></p>	<p>Settlement procedure of derivative securities</p>	<p>The Notes are [[cash (payment of an amount)]/[physically (delivery of assets)] settled]/[settled by auction (method used by ISDA to settle credit-linked notes)].]</p>

<sup>1</sup> This first paragraph should be deleted for the issue specific summary.

Element	Title	
<b>Prospectus Regulation applies)</b>		
<p><b>[C.18</b></p> <p><i>(NB. Delete C.18 if the Notes are debt securities to which Annex V of the Prospectus Regulation applies)</i></p>	Return on derivative securities	<p>[The redemption amount of the Notes is calculated in accordance with the following formula :</p> <p><i>(in the case of index linked Notes, equity linked Notes, inflation linked Notes, fund linked Notes, commodity linked Notes, currency linked Notes and rate linked Notes select the relevant formula for calculation from the following:)</i></p> <p>[reverse convertible with european barrier]/ [reverse convertible with american barrier]/ [generic reverse with European barrier]/ [generic short call spread]/ [lock-in]/ [autocall with [european/american] barrier]/[callable stability]/ [call]/ [bonus certificate with [european/american] barrier]/ [shark]/ [himalaya]/ [ladder call spread]/ [mountain range]</p> <p><i>(in the case of credit linked Notes select the relevant formula for calculation from the following:)</i> [credit linked Notes early redeemed]/[credit linked Notes redeemed at maturity]/[guaranteed credit linked Notes]/[basket/index credit linked Notes]/[index tranche credit linked Notes]/ [leverage basket/index credit linked Notes]/[n<sup>th</sup> to default credit linked Notes early redeemed]/[n<sup>th</sup> to default credit linked Notes redeemed at maturity]/[generic reverse with European barrier]/[generic short call spread]</p> <p><i>(in the case of bond linked Notes select the relevant formula for calculation from the following:)</i> [bond linked Notes redeemed at maturity]/[guaranteed bond linked Notes]/[basket bond linked Notes]A <i>[insert the relevant formula]</i> provides that <i>[insert the description of the relevant formula]</i>.</p>
<p><b>[C.19</b></p> <p><i>(NB. Delete C.19 if the</i></p>	Exercise price/final reference price of the underlying	<i>[insert the relevant exercise price or final reference price of the relevant underlying]</i>



Element	Title	
<p><i>Notes are debt securities to which Annex V of the Prospectus Regulation applies)</i></p>		
<p><b>[C.20</b></p> <p><i>(NB. Delete C.20 if the Notes are debt securities to which Annex V of the Prospectus Regulation applies)</i></p>	<p>Underlying</p>	<p>[The underlying of the Notes [is/are] <i>[in the case of index linked Notes insert the relevant index or indices</i> and information on such index(ices) may be found on <i>[insert relevant website, etc]]/</i></p> <p><i>[in the case of credit linked Notes, insert the relevant reference entity or entities</i> and information on such reference entity(ies) may be found on <i>[insert relevant website, etc]]/</i></p> <p><i>[in the case of equity linked Notes, insert the relevant share company(ies)</i> and information on such share company(ies) may be found on <i>[insert relevant website, etc]]/</i></p> <p><i>[in the case of inflation linked Notes, insert the relevant inflation index</i> and information on such inflation index may be found on <i>[insert relevant website, etc]]/</i></p> <p><i>[in the case of currency linked Notes, insert the relevant exchange rate(s)</i> and information on such exchange rate may be found on <i>[insert relevant website, etc]]/</i></p> <p><i>[in the case of commodity linked Notes, insert the relevant commodity(ies)</i> and information on such commodity(ies) may be found on <i>[insert relevant website, etc]]/</i></p> <p><i>[in the case of fund linked Notes insert the relevant fund or funds</i> and information on such fund(s) may be found on <i>[insert relevant website, etc]]/</i></p> <p><i>[in the case of bond linked Notes, insert the relevant bond(s)</i> and information on such bond(s) may be found on <i>[insert relevant website, etc]]</i></p>

Element	Title	
		<p><i>[in the case of rate linked Notes, insert the relevant interest rate(s) and information on such interest rate(s) may be found on [insert relevant website, etc]]</i></p>

## Section D – Risks Factors

Element	Title	
D.2	Key risks regarding the Issuer	<p>In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. The Issuer has identified in the Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes. These factors include risks relating to:</p> <ul style="list-style-type: none"> <li>- Credit risk: exposures to the credit risk of companies, banks and sovereign entities;</li> <li>- Asset-liability management risk: effects of interest and exchange rate fluctuations on lending margins, liquidity needs to meet the Issuer's obligations;</li> <li>- Interest rate risk: interest rate differentials and differences in benchmark lending and borrowing rates, volatility on products with no contractual maturity date and/or embedded options;</li> <li>- Liquidity risk: compliance with the one month liquidity ratio, liquidity gaps;</li> <li>- Currency risk: risk regarding foreign currency positions;</li> <li>- Equity risk: assets measured at fair value through profits or loss and available-for-sale financial assets;</li> <li>- Market risk including credit derivatives: risks regarding hybrid instruments, credit (securities/CDS arbitrages or credit correlation positions or ABS), merger &amp; acquisitions and miscellaneous equities and fixed income);</li> <li>- European capital adequacy ratio: Pillar 2 of the Basel accord requires the Issuer to carry out its own assessment of its economic capital and to use stress scenarios to assess its capital requirements in the event of an economic downturn and</li> <li>- Operational risk: fraud, work relations, human/procedural error, legal issues and natural disasters and systems malfunctions.</li> <li>- EU Bank Recovery and Resolution Directive: On 12 June 2014, the Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the <b>BRRD</b>) has been published in the Official</li> </ul>

Element	Title	
		<p>Journal of the European Union. The exercise of any power under the BRRD as applied to the Issuer or any suggestion of such exercise could materially adversely affect the rights of the Noteholders and/or the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.</p> <p>- Basel III was implemented under EU legislation through the "CRD IV package" which consists of the Capital Requirements Directive n°2013/36/EU dated 26 June 2013, the Capital Requirements Regulation n°575/2013 dated 26 June 2013 and their subsequent Delegated Regulations and Commission Implementing Regulations. The implementation of Basel III and the CRD IV package, through the European directives and regulations, has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel III and the CRD IV package will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of the CRD IV package. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the CRD IV package could have on them.</p>
<p><b>[D.3</b></p> <p><i>(NB. Delete D.3 if the Notes are derivative instruments to which Annex XII of the Prospectus Regulation applies)</i></p>	<p>Key risks regarding the Notes</p>	<p>There are also risks associated with the Notes:</p> <p><b>- Risks related to the complex structure of certain notes:</b> a potential investor should not invest in Notes which are complex financial instruments 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.</p> <p><b>- Risks related to the structure of a particular issue of Notes:</b></p> <p>- There are particular risks associated with an investment in certain types of Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it;</p> <p>- If the Issuer has the right to redeem any Notes</p>

Element	Title	
		<p>at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return;</p> <ul style="list-style-type: none"> <li>- Market Disruption and adjustments provisions may affect the value and liquidity of the Notes as well as postpone due dates for payment;</li> <li>- Physical Delivery Notes involve specific risks linked to the occurrence of a Settlement Disruption Event;</li> <li>- Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities;</li> <li>- If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned;</li> <li>- The value of Fixed Rate Notes may be adversely affected by movements in market interest rates;</li> <li>- Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates;</li> <li>- Early Redemption Unwind Costs: the Early Redemption Amount may include a deduction in respect of Early Redemption Unwind Costs;</li> <li>- Early Redemption – "Fair Market Value": the Early Redemption Amount may be an amount determined by the Calculation Agent, which, shall represent the fair market value of the Notes;</li> <li>- The Benchmark Regulation could result in an adjustment to the terms and conditions of the Notes, early settlement, valuation by the Calculation Agent, delisting or other consequences, depending on the specific provisions of the relevant terms and conditions applicable to the Notes;</li> <li>- Developments in other markets may adversely affect the market price of any Notes denominated</li> </ul>

Element	Title	
		<p>in Renminbi;</p> <ul style="list-style-type: none"> <li>- Future discontinuance of LIBOR and other benchmarks may adversely affect the value of Floating Rate Notes;</li> <li>- The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any Notes linked to or referencing such "benchmarks";</li> <li>- Renminbi is not completely freely convertible and there are still significant restrictions on remittance of CNY into and outside the PRC;</li> <li>- Renminbi currency risk, including that Renminbi is not freely convertible and that the Issuer may, in certain circumstances, be entitled to make payments under Notes denominated in Renminbi in other currencies; and</li> <li>- Investment in Notes denominated in Renminbi is subject to exchange rate and interest risks.</li> </ul> <p><b>- Risks relating to Notes and the market generally:</b></p> <ul style="list-style-type: none"> <li>- An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes;</li> <li>- Market Value of the Notes: the price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser;</li> <li>- If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes;</li> <li>- Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes;</li> <li>- Hedging may adversely affect the price, liquidity or value of the Notes; and</li> </ul>

Element	Title	
		<ul style="list-style-type: none"> <li>- Conflicts of interest linked to the Issuer as an affiliate acting as Dealer or Calculation Agent.</li> <li>- <b>The conditions of the Notes contain provisions which may permit their modification without the consent of all investors;</b></li> <li>- <b>The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest (or similar income) than expected and could significantly adversely affect their return on the Notes;</b></li> <li>- <b>Foreign Account Tax Compliance Act withholding may affect payments on the Notes;</b></li> <li>- <b>Hiring Incentives to Restore Employment Act withholding may affect payments on the Notes;</b></li> <li>- <b>The value of the Notes could be adversely affected by a change in English law or administrative practice;</b></li> <li>- <b>Taxation:</b> no development made in this Base Prospectus shall be read as a legal or tax advice and investors should require personal advice from their own independent and qualified counsels;</li> <li>- <b>Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued;</b></li> <li>- <b>Risks relating to forward looking statements:</b> forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results of the Issuer or of the Notes to differ materially from those contained in any forward-looking statement.; and</li> <li>- <b>Risks relating to the general economic situation:</b> due to the fact that the Issuer offers services to the general public, it is exposed to the general risk of a deterioration in its situation as a result of economic recessions, large-scale natural disasters, armed conflict, slowdown of the French, European or world economy, fluctuations in unemployment rates and the consumer credit trend and price competition in the market segments where the Issuer is active.</li> <li>- <b>The relationship of the United Kingdom with the European Union may affect the business of the Issuer:</b> following the United Kingdom’s vote to leave the European</li> </ul>

Element	Title	
		<p>Union there are a number of uncertainties in connection with the future of the UK and its relationship with the European Union.]</p>
<p><b>[D.6</b> <i>(N.B. Delete D.6 if the Notes are debt securities to which Annex V of the Prospectus Regulation applies)</i></p>	<p>Key risks regarding the complex structure of certain Notes</p>	<p><b>- Risks related to the complex structure of certain notes:</b> a potential investor should not invest in Notes which are complex financial instruments 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.</p> <p><b>- Risks related to the structure of a particular issue of Notes:</b></p> <ul style="list-style-type: none"> <li>- No claim against any Underlying Reference: in the event that the amount paid by the Issuer or value of the specified assets delivered on redemption of the Notes is less than the principal amount of the Notes, a Noteholder will not have recourse under a Note to any Underlying Reference;</li> <li>- If the Notes are expressed to have limited exposure to the relevant Underlying Reference(s), such Notes will not benefit from any upside in the value of any such Underlying Reference(s) beyond such limit or cap;</li> <li>- There are particular risks associated with Credit Linked Notes. In particular, the investor is exposed to the credit risk of another entity or other entities of the Issuer and may lose some or all of the amount invested. The market price of such Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date 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.;</li> <li>- The particular risks involved in an investment in Index Linked Notes include volatility, effects of leverage and the loss of part of or all principal amount invested. The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the index or indices or of any component of the formula. The level of the index, indices, components of the formula may be affected by the economic, financial and political events in one or more jurisdictions, including but not limited to the stock exchange(s) or quotation system(s) on which any securities comprising the index, indices or the formula may be traded;</li> <li>- Investors in Equity Linked Notes are exposed to</li> </ul>



Element	Title	
		<p>volatility risks, leverage risks, performance of the share or basket of share risks. The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date, the volatility of the share(s), the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant share(s) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such shares may be traded;</p> <p>- There are specific risks associated with an investment in Inflation Linked Notes: the decision to purchase Inflation Linked Notes involves complex financial appreciations and risks as the inflation cannot be foreseen with any degree of certainty. The yield of Inflation Linked Notes may be lower than the yield of non Inflation Linked Notes;</p> <p>- Investors in Currency Linked Notes are exposed to volatility risks, leverage risks and fluctuations in exchange rate. The market price of such Notes may be volatile and, if the amount of principal and/or interest payable is dependent upon movements in currency exchange rates, may depend upon the time remaining to the redemption date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions;</p> <p>- Investors in Commodity Linked Notes are exposed to volatility risks and leverage risks. The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date and the volatility of the price of the commodity and/or commodity index. The price of commodities or level of a commodity index may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which the relevant commodities may be traded;</p> <p>- Investors in Fund Linked Notes are exposed to volatility risks, leverage risks, performance of the fund or basket of funds risks. The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of units or shares in the fund or funds. The price of units or shares in a fund may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the fund or funds may be traded. In</p>

Element	Title	
		<p>addition, the price of units or shares in a fund may be affected by the performance of the fund service providers, and in particular the investment adviser;</p> <p>- Investors in Bond Linked Notes are exposed to volatility risks, leverage risks, performance of the bond or basket of bonds risks. The market price of such Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date and the creditworthiness of the Bond Issuer which in turn may be affected by the economic, financial and political events in one or more jurisdictions;</p> <p>- Investors in Rate Linked Notes are exposed to the risks associated with the underlying interest rate. The market price of such Notes may be volatile and, if the amount of principal payable is dependent upon movements in interest rates, may depend upon the time remaining to the redemption date and the volatility of interest rates. Movements in interest rates may be dependent upon economic, financial and political events in one or more jurisdictions;</p> <p>[- Physical Delivery Notes involve specific risks linked to the occurrence of a Settlement Disruption Event: the value of Notes to be settled by way of physical delivery may be affected and/or the settlement of such Notes may be delayed if in the opinion of the Calculation Agent, delivery of the Asset Amount is impracticable due to the occurrence of a Settlement Disruption Event;]</p> <p><b>Warning: in certain circumstances, an investor may lose the value of his entire investment in the Notes or part of it.]</b></p>

## Section E – Offer

Element	Title		
<b>E.2b</b>	Reasons for the Offer and Use of proceeds	The net proceeds from the issue of the Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.	
<b>E.3</b>	Terms and conditions of the offer	<p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealer(s) at the time of issue.</p> <p>[There is no public offer.][The Notes are being offered to the public in [France / Luxembourg / Germany / United Kingdom].]</p> <p>[An Investor intending to acquire or acquiring any Notes from an Offeror other than the Issuer will do so, and offers and sales of Notes to an Investor by such Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements.</p>	
		The time period, including any possible amendments, during which the offer will be open and description of the application process:	[●] to [●]
		Offer Price:	[Issue Price]/[Not applicable]/[specify]
		Conditions to which the offer is subject:	[Not applicable]/[specify]
		Offer Period:	[Not applicable]/[specify]
		Description of the application process:	[Not applicable]/[specify]
		Details of the minimum and/or maximum amount of application:	[Not applicable]/[specify]
		Description of possibility to reduce subscriptions and manner for refunding excess amount paid by the applicants:	[Not applicable]/[specify]
		Details of the method and time limits for paying up	[Not applicable]/[specify]

Element	Title		
		and delivering the Notes:	
		Manner and date in which results of the offer are to be made public:	[Not applicable]/[specify]
		Procedure for exercise of any right of pre-emption, negotiability and subscription rights and treatment of the subscription rights not exercised:	[Not applicable]/[specify]
		Whether tranche(s) have been reserved for certain countries:	[Not applicable]/[specify]
		Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable]/[specify]
		Amount of any expenses and taxes specifically charged to the subscriber or purchaser	[Not applicable]/[specify]
<b>E.4</b>	Interest of natural and legal persons involved in the issue/offer	The [Dealers/Managers] will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes. Any [Dealer/Manager] and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their respective] affiliates in the ordinary course of business.	
<b>E.7</b>	Expenses charged to the investor by the Issuer or an offeror	[Not Applicable – No expenses will be charged to investors by the Issuer or an offeror.]/ [specify]	

## RISK FACTORS

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes.*

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

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

Such factors are set out at pages 62 to 65 of Crédit Industriel et Commercial's *Document de Référence* 2018 incorporated herein by reference (see "*Documents Incorporated by Reference*").

#### ***French Insolvency Law***

Under French insolvency law as amended, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a safeguard procedure, (*procédure de sauvegarde*), an accelerated preservation procedure (*procédure de sauvegarde accélérée*), an accelerated financial preservation procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a Euro Medium Term Notes programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or draft judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing-off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give rights to share capital.

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the debt securities held by the holders having cast a vote). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Meetings of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus and, only with respect to English Law Notes, the Agency Agreement will not be applicable to the extent they are not in compliance with mandatory insolvency law provisions that apply in these circumstances.

### ***EU Resolution and Recovery Directive***

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **Bank Recovery and Resolution Directive** or **BRRD**) entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity so as to ensure the continuity of the relevant entity's critical financial and economic functions, while minimising the impact of a relevant entity's failure on the economy and financial system.

The impact of the BRRD and its implementing provisions on credit institutions, including the Issuer, could materially affect the activity and financial condition of the Issuer and the value of any Notes.

A relevant entity will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The powers provided to authorities in the BRRD are divided into three categories: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a relevant entity's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) where a relevant entity's insolvency might raise a concern as to the general public interest, a clear plan to reorganise or wind down the relevant entity in an orderly fashion while preserving its critical functions and as far as possible limiting taxpayers' exposure to losses (which should be used as a last resort).

Under the BRRD, the resolution authority may commence resolution proceedings and exercise resolution tools and powers in respect of a relevant entity when:

- the relevant entity is failing or likely to fail (see above);
- there are no reasonable prospects that a private action would prevent the failure; and
- a resolution action is necessary and in the public interest.

The BRRD currently contains four resolution tools and powers:

- (i) sale of business: enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- (ii) bridge institution: enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge bank" (a publicly controlled entity holding such business or part of a business with a view to reselling it);
- (iii) asset separation: enables resolution authorities to transfer impaired or problem assets to asset management vehicles to allow such assets to be managed and worked out over time; and
- (iv) bail-in: gives resolution authorities the power to write-down the claims of unsecured creditors of a failing relevant entity and to convert certain unsecured debt claims (including Notes) to equity (the

**general bail-in tool**), such equity being potentially subject to future cancellation, transfer or dilution by application of the general bail-in tool. When applying bail-in or a statutory write-down (including to zero) and conversion into equity power (including amendment of the terms of the Notes such as a variation of the maturity), the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments (including the Notes), then tier two instruments and other subordinated debts to the extent required and up to their capacity. If the debt bail-in or statutory write-down and conversion power has entered into force and only if this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors in accordance with the hierarchy of claims in normal insolvency proceedings.

The BRRD also provides that in exceptional circumstances, where the bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines in a manner that maintains the ability of the institution under resolution to continue key operations, services and transactions; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, in particular as regards eligible deposits held by natural persons and micro, small and medium sized enterprises, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State or of the Union; or (d) the application of the bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in.

Consequently, where a resolution authority decides to exclude or partially exclude an eligible liability or class of eligible liabilities:

- (i) the level of write down or conversion applied to other eligible liabilities – as the holders of the Notes – when not excluded, may be increased to take account of such exclusions; and
- (ii) if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the resolution financing arrangement may make a contribution to the relevant entity under resolution to (a) cover any losses which have not been absorbed by eligible liabilities and restore the net asset value of the relevant entity under resolution to zero and/or (b) purchase shares or other instruments of ownership or capital instruments in the relevant entity under resolution, in order to recapitalise the relevant entity. The last step – if there are losses left – would be an extraordinary public financial support through additional financial stabilisation tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

The BRRD applies since 1 January 2015, except for the general bail-in tool which applies since 1 January 2016.

Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the **SRM Regulation**) has established a centralised power of resolution entrusted to a Single Resolution Board (the **SRB**) and to the national resolution authorities. For Member States participating in the Banking Union (which includes France), the Single Resolution Mechanism (the **SRM**) fully harmonises the range of available tools, but Member States are authorised to introduce additional tools at national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD.

As from November 2014, has taken over the prudential supervision under the SSM of significant credit institutions in Eurozone member states. In addition, an SRM has been set up to ensure that the resolution of banks across the Eurozone is harmonised. Under Article 5(1) of the SRM Regulation, the SRM has been

granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the start of 2016.

The Issuer is owned by Confédération Nationale du Crédit Mutuel, which has been designated as a significant supervised entity for the purposes of Article 49(1) of the SSM Regulation and is consequently subject to the direct supervision of the European Central Bank (**ECB**). This means that the Issuer is also subject to the SRM, which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large extent, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The implementation of the BRRD in France was made by several legislative texts. The banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (as modified by the ordinance dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the **Banking Law**) had anticipated the implementation of the BRRD and had introduced in the French *Code monétaire et financier* Article L. 613-31-16 which allows the ACPR to exercise resolution powers when an institution is subject to a procedure relating to its recovery or resolution.

Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the **Ordinance**) published in the Official Journal on 21 August 2015 has introduced various provisions amending and supplementing the Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning implementing Section A of the Annex of the BRRD, (ii) resolution planning implementing Section B of the Annex of the BRRD, and (iii) criteria to assess the resolvability of an institution or group implementing Section C of the Annex of the BRRD, were published on 20 September 2015, mostly to define implementing rules of the BRRD..

The Ordinance has been ratified by law no. 2016-1691 dated 9 December 2016 (*Loi n°2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) which also incorporates provisions which clarify the implementation of the BRRD.

French credit institutions (such as the Issuer) must now comply at all times with minimum requirements for own funds and eligible liabilities (the **MREL**) under Article L.613-44 of the *French Code monétaire et financier*. The MREL is expressed as a percentage of total liabilities and equity of the institution and aims to prevent institutions to structure their commitments in a manner which could limit or prevent the effectiveness of the bail-in tools.

Following the publication on 7 June 2019 in the Official Journal of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC and of the Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the Single Resolution Mechanism Regulation (Regulation 806/2014) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, a comprehensive legislative package reducing risks in the banking sector and further reinforcing banks' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system from 28 December 2020.

The powers set out in the BRRD as implemented in France will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. In particular, holders of Notes may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their



investment. The BRRD also provides that the relevant resolution authority can modify the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments).

It is not yet possible to assess the full impact of the BRRD as implemented in France s on the Issuer and there can be no assurance that it will not adversely affect the rights of holders of Notes, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The holders of Notes have very limited rights to contest and/or ask for the suspension of the exercise of the relevant competent authorities' resolution powers.

### ***Principles of the Financial Stability Board on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution / Total Loss-absorbing Capacity (TLAC) Term Sheet***

On 9 November 2015 Financial Stability Board (the **FSB**) published a document entitled “Principles on loss-absorbing and Recapitalization Capacity of G-SIBs in Resolution / Total Loss-absorbing Capacity (**TLAC**) Term Sheet” to improve the absorption capacity losses for global systemically important banks (**G-SIBs**) resolution. The FSB principles aim to ensure that G-SIBs will have sufficient capacity to absorb losses in the event of resolution of this entity to minimize any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to losses. They are stated to apply from 1 January 2019.

The Minimum TLAC requirement will be applied to each resolution entity within each G-SIB. Minimum TLAC is an additional requirement to minimum regulatory capital requirements.

Minimum TLAC must be :

- (i) at least 16% of the resolution group's RWAs (**TLAC RWA Minimum**) as from 1 January 2019 and at least 18% as from 1 January 2022. This requirement does not include any applicable regulatory capital (Basel III) buffers, which must be met in addition to the TLAC RWA Minimum.
- (ii) at least 6% of the Basel III leverage ratio denominator (**TLAC LRE Minimum**) as from 1 January 2019. As from 1 January 2022, the TLAC LRE Minimum must be at least 6.75% of the Basel III leverage ratio denominator.

The Issuer is not considered as a G-SIB, however, the requirement for an institution to have a capacity to absorb losses can be applied in addition to, or instead of the minimum capital requirements and eligible committed to under the BRRD. Implementing provisions regarding the minimum TLAC requirement in France remain uncertain and similar requirements may apply to non-G-SIBs.

Whereas the implementing provisions relating to the TLAC requirements are still being developed, it is not possible to determine the scope, nature and impact on the Issuer and it cannot be excluded that the Issuer has to issue a significant amount of eligible liabilities and own funds in order to comply on time with the minimum TLAC (including liabilities qualifying T2 Capital).

### ***Basel III Risk-Weighted Asset Framework***

On 16 December 2010 and 13 January 2011, the Basel Committee on Banking Supervision (the **Basel Committee**) published a revised framework (**Basel III**), including new capital and liquidity standards for credit institutions. Those measures were scheduled to be implemented by relevant authorities starting from 1 January 2013 with full implementation on 1 January 2019.

In particular, the changes introduced by Basel III refer to, amongst other things:

- a complete review of the capital standards;

- the introduction of a leverage ratio as amended on 12 January 2014; and
- the introduction of short-term and longer-term standards for funding liquidity (referred to as the "*Liquidity Coverage Ratio*" and the "*Net Stable Funding Ratio*").

In January 2016 the initial phase of Basel III reforms focused on strengthening the following components of the regulatory framework:

- improving the quality of bank regulatory capital by placing a greater focus on going-concern loss-absorbing capital in the form of Common Equity Tier 1 (CET1) capital;
- increasing the level of capital requirements to ensure that banks are sufficiently resilient to withstand losses in times of stress;
- enhancing risk capture by revising areas of the risk-weighted capital framework that proved to be acutely miscalibrated, including the global standards for market risk, counterparty credit risk and securitisation;
- adding macroprudential elements to the regulatory framework, by: (i) introducing capital buffers that are built up in good times and can be drawn down in times of stress to limit procyclicality; (ii) establishing a large exposures regime that mitigates systemic risks arising from interlinkages across financial institutions and concentrated exposures; and (iii) putting in place a capital buffer to address the externalities created by systemically important banks;
- specifying a minimum leverage ratio requirement to constrain excess leverage in the banking system and complement the risk-weighted capital requirements; and
- introducing an international framework for mitigating excessive liquidity risk and maturity transformation, through the Liquidity Coverage Ratio and Net Stable Funding Ratio.

In December 2017, the Basel Committee's finalised Basel III reforms have complemented these improvements to the global regulatory framework. The revisions seek to restore credibility in the calculation of risk-weighted assets (RWAs) and improve the comparability of banks' capital ratios by:

- enhancing the robustness and risk sensitivity of the standardised approaches for credit risk, credit valuation adjustment (CVA) risk and operational risk;
- constraining the use of the internal model approaches, by placing limits on certain inputs used to calculate capital requirements under the internal ratings-based (IRB) approach for credit risk and by removing the use of the internal model approaches for CVA risk and for operational risk;
- introducing a leverage ratio buffer to further limit the leverage of global systemically important banks (G-SIBs); and
- replacing the existing Basel II output floor with a more robust risk-sensitive floor based on the Committee's revised Basel III standardised approaches.

Implementation dates and transitional arrangements related to the standards described above have been included with a main trigger in January 2022. The European authorities have indicated that they support the work of the Basel Committee on the approved changes made in 2011 in general. Basel III was implemented under EU legislation through the "**CRD IV package**" which consists of the Capital Requirements Directive n° 2013/36/EU dated 26 June 2013, the Capital Requirements Regulation n°575/2013 dated 26 June 2013 and their subsequent Delegated Regulations and Commission Implementing Regulations. A number of new requirements arising from the CRD IV package was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of

the CRD IV package at the legislative level was finalised under French law by Ordinance n°2014-158 dated 20 February 2014 and its subsequent implementing decrees and “arrêtés”.

Following the publication on 7 June 2019 in the Official Journal of the EU of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) no 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 and of the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending the CRD IV Directive as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, a comprehensive legislative package reducing risks in the banking sector and further reinforcing banks' ability to withstand potential shocks strengthens the banking union and reduce risks in the financial system from 27 June 2019 for own funds and eligible assets requirements, and 28 December 2020 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The new provisions will implement the Basel Committee's finalised Basel III reforms dated December 2017.

The implementation of Basel III and the CRD IV package, and any of their expected amendments, has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. In addition to the continuing implementation of the CRD IV package, new changes have been proposed lately by the Basel Committee, which published for public consultation revisions to the standardised approaches for credit, operational and market risk, and the introduction of capital floors based on standardised approaches, commonly referred to as the "Basel IV framework".

Should the Basel IV framework be implemented into European law, it may have a significant adverse effect on the Issuer's solvency position.

In addition, the implementation of Basel III, the CDR IV package and any of their expected amendments could affect the risk weighting of the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the CRD IV package. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the CRD IV package and any of its expected amendments could have on them.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

### ***Risks related to the complex structure of certain Notes***

Some Notes are particularly 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 Notes which are complex financial instruments 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.

An investment in the Notes may involve a high degree of risk, including the risk that the entire amount invested may be lost. The Issuer, will invest in and trade securities and other financial instruments using a variety of investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity and fixed-income markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equity, currency and OTC derivative markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is

made that the investment in Notes will be a successful one. The Issuer may utilise investment techniques such as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts to hedge payments due under the Notes, which practices could adversely affect the value of the Notes.

Short selling technique may be used to provide indexation of payments under the Note. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to benefit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

### *Structured Notes*

An investment in Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of interest rates, shares, exchange rates, commodities, funds or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant interest rates, shares, funds or other indices or formulae should be taken as an indication of future performance of such interest rates, shares, exchange rates, commodities, funds or other indices or formulae during the term of any Notes.

The prices at which Zero Coupon Notes, as well as other Notes issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do the prices for conventional interest-bearing securities of comparable maturities.

### *Risks related to the structure of a particular issue of Notes*

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

*There are particular risks associated with an investment in certain types of Notes such as Indexed Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it.*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or to movements in currency exchange rates, a credit event or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;

- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of a Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

#### *No Claim against any Underlying Reference*

A Note will not represent a claim against any underlying reference asset(s) (**Underlying Reference(s)**) to which the amount of principal and/or interest payable or amount of specified assets deliverable in respect of the Notes is dependent and, in the event that the amount paid by the Issuer or value of the specified assets delivered on redemption of the Notes is less than the principal amount of the Notes, a Noteholder will not have recourse under a Note to any Underlying Reference. In addition investing in a Note will not entitle the Noteholder to benefit from a voting right (if any) attached to an Underlying Reference.

An investment in Notes linked to one or more Underlying Reference may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section "*Risks related to the structure of a particular issues of Notes*". The amount paid or value of the specified assets delivered by the Issuer on redemption of such Notes may be less than the principal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero.

#### *Limited Exposure to Underlying Reference*

If the applicable Final Terms provide that the exposure of any Credit Linked Notes, Index Linked Notes, Equity Linked Notes, Inflation Linked Notes, Currency Linked Notes, Commodity Linked Notes, Fund Linked Notes, Bond Linked Notes, Rate Linked Notes and other Notes linked to an Underlying Reference to one or more Underlying References is limited or capped to a certain level or amount, such Notes will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

In the event that the Issuer would be required to pay additional amounts in respect of any Notes due to any withholding as provided in Condition 7 of the Terms and Conditions of the English Law Notes and Condition 10 of the Terms and Conditions of the French Law Notes, as the case may be, the Issuer may and, in certain circumstances, shall redeem all of the Notes then outstanding in accordance with the Terms and Conditions of the Notes.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a

consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, the Noteholder may not receive the total amount of the capital invested.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

*There are particular risks associated with Credit Linked Notes. In particular, the investor is exposed to the credit risk of another entity or other entities of the Issuer and may lose some or all of the amount invested.*

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon whether certain events have occurred in respect of a specified entity(-ies) (the **Reference Entity** or **Reference Entities** as applicable) and, if so, on the value of certain specified assets of the Reference Entity or where, if such events have occurred, on redemption the Issuer's obligation is to deliver certain specified assets (**Credit Linked Notes**).

Potential investors in any such Notes should be aware that depending on the terms of the Credit Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected, (iii) they may lose all or a substantial portion of their investment and (iv) Notes may be redeemed partially following early redemption of the Underlying Reference.

The market price of such Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date 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.

Where the Notes provide for physical delivery, 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 Settlement Date or (b) assets which the Issuer and/or any affiliate has not received under the terms of any transaction entered into by the Issuer and/or such affiliate 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 of principal payable on redemption. Potential investors should review the Terms and Conditions of the Notes and the applicable Final Terms to ascertain whether and how such provisions should apply to the Notes. The market value of delivered assets may be less than the principal amount of a Note. Any shortfall shall be borne by the Noteholders and the Issuer shall assume no liability.

The Issuer's obligations in respect of Credit Linked 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.

*Differences between the 2009 ISDA Definitions and the 2014 ISDA Definitions used for Credit Linked Notes*

There are a number of important differences between the 2009 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 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. Parties to 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 2009 ISDA Definitions have been reflected in Condition 19 - Additional Provisions Applicable to Credit Linked Notes (Part B - 2014 ISDA Credit Derivatives Definitions) of this Base Prospectus, 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 significant economic effect on the Credit Linked Notes and may mean the value of the Credit Linked*

*Notes and the return (if any) to investors is significantly different from Credit Linked Notes using the Condition 19 - Additional Provisions Applicable to Credit Linked Notes (Part A - 2009 ISDA Credit Derivatives Definitions) of this Base Prospectus. Some changes may be disadvantageous to Noteholders and prospective investors should review carefully the terms of any issue of Notes and, where in any doubt, take advice from suitably qualified professional advisers.*

*The particular risks involved in an investment in Index Linked Notes include volatility, effects of leverage and the loss of part of or all principal amount invested.*

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the level of an index or indices, or upon a formula encompassing a combination of a number of components, which can be indices or securities or derivatives or any other component (**Index Linked Notes**).

Potential investors in any such Notes should be aware that depending on the terms of the Index Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the level of the index or indices or any component of the formula may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices or similar components and the timing of changes in the relevant level of the index or indices or the components of the formula may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices or the components of the formula on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the level of the index or indices or of any component of the formula. The level of the index, indices, components of the formula may be affected by the economic, financial and political events in one or more jurisdictions, including but not limited to the stock exchange(s) or quotation system(s) on which any securities comprising the index, indices or the formula may be traded.

*Investors in Equity Linked Notes are exposed to volatility risks, leverage risks, performance of the share or basket of share risks.*

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon the price of, or changes in the price of, share(s) or a basket of shares or where, depending on the price of or change in the price of shares or the basket of shares, on redemption the Issuer's obligation is to deliver specified assets (**Equity Linked Notes**).

Potential investors in any such Notes should be aware that depending on the terms of the Equity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal 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. In addition, the movements in the price of the share or basket of shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the share(s) may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the share(s), the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the share(s) on principal or interest payable will be magnified.



The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date, the volatility of the share(s), the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant share(s) as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such shares may be traded.

*There are specific risks associated with an investment in Inflation Linked Notes*

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon changes in the level of inflation (**Inflation Linked Notes**).

The risk factors set out under "Index Linked Notes" above also apply to Inflation Linked Notes. In addition, the decision to purchase Inflation Linked Notes involves complex financial appreciations and risks as the inflation cannot be foreseen with any degree of certainty. The yield of Inflation Linked Notes may be lower than the yield of non Inflation Linked Notes. The Issuer makes no representation as to the tax treatment of such Notes or as to the lawfulness of the purchase of such Notes in any jurisdiction.

*Investors in Currency Linked Notes are exposed to volatility risks, leverage risks and fluctuations in exchange rate;*

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon movements in currency exchange rates or is payable in one or more currencies which may be different from the currency in which the Notes are denominated (**Currency Linked Notes**).

Potential investors in any such Notes should be aware that, depending on the terms of the Currency Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time or in a different currency than expected and (iii) they may lose a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in currency exchange rates, the greater the effect on yield.

If the amount of principal and/or interest payable is dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable is dependent upon movements in currency exchange rates, may depend upon the time remaining to the redemption date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). In recent years, rates of exchange between some currencies have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Note. Fluctuations in exchange rates will affect the value of the Notes.

*Investors in Commodity Linked Notes are exposed to volatility risks and leverage risks*

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price of, or changes in the price of, commodities and/or commodity indices or a basket of commodities and/or commodity indices or depending on the price of or change in the price of a commodity or the basket

of commodities, the relevant Issuer's obligation on redemption is to deliver a specified commodity (**Commodity Linked Notes**). Accordingly an investment in Commodity Linked Redemption Notes may bear similar market risks to a direct commodity investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that depending on the terms of the Commodity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified commodities may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity and/or commodity index or basket of commodities and/or commodity indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of a commodity and/or commodity index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the commodity or commodities, the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of a commodity and/or commodity index on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may be affected by the time remaining to the redemption date and the volatility of the price of the commodity and/or commodity index. The price of commodities or level of a commodity index may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which the relevant commodities may be traded.

*Investors in Fund Linked Notes are exposed to volatility risks, leverage risks, performance of the fund or basket of funds risks.*

The Issuer may issue Notes where the amount of principal payable is dependent upon the price or changes in the price of units or shares in a fund or funds (including exchange traded fund(s)) or, depending on the price or changes in the price of units or shares in such fund or funds, the relevant Issuer's obligation on redemption is to deliver a specified amount of Fund Shares (**Fund Linked Notes**). Accordingly an investment in Fund Linked Redemption Notes may bear similar market risks to a direct fund investment and potential investors should take advice accordingly.

Prospective investors in any such Notes should be aware that depending on the terms of the Fund Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or delivery of any specified Fund Shares may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of units, shares or interests in the fund or funds may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the units or shares in the fund or funds may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the units, shares or interests in the fund or funds, the greater the effect on yield. Prospective investors should also be aware that in the event of the occurrence of one or more Extraordinary Fund Events the relevant Issuer may substitute the relevant Fund Shares with fund shares of a fund with similar characteristics or if no such fund is selected with a replacement index or redeem the Notes depending on whether such Extraordinary Fund Event is a Substitution Event or a Termination Event.

In the event that redemption proceeds in respect of the underlying Fund Shares are not received by the Hedge Provider on or prior to the scheduled redemption date or termination date, such date may be postponed for a period of up to two calendar years (or such other period as may be specified in the applicable Final Terms) and no additional amount shall be payable as a result of such delay.

If the amount of principal payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the units or shares of the fund or funds on principal or interest payable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of units or shares in the fund or funds. The price of units or shares in a fund may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the fund or funds may be traded. In addition, the price of units or shares in a fund may be affected by the performance of the fund service providers, and in particular the investment adviser.

Prospective investors should review carefully the prospectus, information memorandum and/or offering circular (if any) issued by any relevant fund before purchasing any Notes. Neither the Issuer and any affiliate of the Issuer nor the Calculation Agent make any representation as to the creditworthiness of any relevant fund or any such fund's administrative, custodian, investment manager or adviser.

*Investors in Bond Linked Linked Notes are exposed to volatility risks, leverage risks, performance of the bond or basket of bonds risks.*

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon whether certain events have occurred in respect of a specified bond(s) (the **Bond** or **Basket of Bonds** as applicable) (the **Bond Linked Notes**).

Potential investors in any such Notes should be aware that depending on the terms of the Bond Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

The market price of such Notes may be volatile and will be affected by, amongst other things, the time remaining to the redemption date and the creditworthiness of the Bond Issuer which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

The Issuer's obligations in respect of Bond Linked Notes are irrespective of the existence or amount of the Issuer's and/or any affiliates' credit exposure to a Bond Issuer 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 Bond Event.

*There are specific risks associated with an investment in Rate Linked Notes*

The Issuer may issue Notes where the amount of principal payable is dependent upon movements in underlying interest rates (**Rate Linked Notes**). Accordingly an investment in Rate Linked Notes may bear similar market risks to a direct interest rate investment and potential investors should take advice accordingly.

Potential investors in any such Notes should be aware that, depending on the terms of the Rate Linked Notes (i) payment of principal may occur at a different time than expected and (ii) they may lose a substantial portion of their investment. In addition, movements in interest rates may be subject to significant fluctuations that may not correlate with changes in other indices and the timing of changes in the interest rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in interest rates, the greater the effect on yield.

Interest rates are determined by various factors which are influenced by macro economic, political or financial factors, speculation and central bank and government intervention. In recent years, interest rates have been relatively low and stable, but this may not continue and interest rates may rise and/or become volatile. Fluctuations that have occurred in any interest rate in the past are not necessarily indicative,

however, of fluctuation that may occur in the rate during the term of any Note. Fluctuations in interest rates will affect the value of Rate Linked Notes.

If the amount of principal payable is dependent upon movements in interest rates and is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on principal payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal payable is dependent upon movements in interest rates, may depend upon the time remaining to the redemption date and the volatility of interest rates. Movements in interest rates may be dependent upon economic, financial and political events in one or more jurisdictions.

*Market Disruption and adjustments provisions may affect the value and liquidity of the Notes as well as postpone due dates for payment.*

If an issue of Credit Linked Notes, Index Linked Notes, Equity Linked Notes, Inflation Linked Notes, Currency Linked Notes, Commodity Linked Notes, Debt Security Notes, Fund Linked Notes, Bond Linked Notes, Rate Linked Notes or other notes linked to an Underlying Reference includes provisions dealing with the occurrence of a Market Disruption Event or any other event, however defined, set out under Conditions 19 to 27 and affecting such Note (a **Disruption Event**) on a Valuation Date, Observation Date, Averaging Date or any other relevant date and the Calculation Agent determines that a Disruption Event has occurred or exists on such Valuation Date, Observation Date, such Averaging Date, any consequential postponement of the Valuation Date, Observation Date or Averaging Date or any other relevant date, alternative provisions for valuation provided in any such Notes may have an adverse effect on the value and liquidity of such Notes. The timing of such dates (as scheduled or as so postponed or adjusted) may affect the value of the relevant Notes such that the Noteholder may receive a lower cash redemption amount and/or interest amount or other payment under the relevant Notes than otherwise would have been the case. The occurrence of such a Disruption Event in relation to any Underlying Reference comprising a basket may also have such an adverse effect on Notes related to such basket. In addition, any such consequential postponement may result in the postponement of the relevant due date for payment under the Notes and/or Maturity Date.

*Physical Delivery Notes involve specific risks linked to the occurrence of a Settlement Disruption Event.*

The value of Notes to be settled by way of physical delivery may be affected and/or the settlement of such Notes may be delayed if in the opinion of the Calculation Agent, delivery of the Asset Amount (being the amount of relevant asset relating to each Note as set out in the Final Terms) using the method of delivery specified in the applicable Final Terms, or such other commercially reasonable manner as the Calculation Agent has determined, is impracticable because a Settlement Disruption Event has occurred and is continuing on the Delivery Date. A Settlement Disruption Event is an event beyond the control of the Issuer as a result of which, in the opinion of the Calculation Agent, delivery of the specified assets to be delivered by or on behalf of the Issuer is not practicable.

*Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates*

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

*Early Redemption Unwind Costs*

Investors should note that, if so specified in the applicable Final Terms, the Early Redemption Amount in respect of the relevant Series of Notes will include a deduction in respect of Early Redemption Unwind Costs. If the Early Redemption Unwind Costs are stated to be Standard Early Redemption Costs, then such amount will comprise an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position.

*Early Redemption – "Fair Market Value"*

Investors should note that, if "Fair Market Value" is specified in the applicable Final Terms as the Early Redemption Amount, the Early Redemption Amount in respect of the relevant Series of Notes will be an amount determined by the Calculation Agent, which, shall represent the fair market value of the Notes on, or at a time determined by the Calculation Agent during a period not exceeding seven (7) Business Days immediately prior to, the date on which a notice of early redemption is deemed to have been given to the Noteholders pursuant to Condition 6.4 and Condition 13 of the Terms and Conditions of the English Law Notes and Condition 9.4 and Condition 14 of the Terms and Conditions of the French Law Notes, as the case may be, and shall have the effect (after taking into account the costs of unwinding any hedging arrangements, as determined by the Issuer in its sole and absolute discretion, entered into in respect of the Notes) of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date.

*The reform and regulation of "benchmarks" may adversely affect the value of the Notes linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR, EURIBOR, CMS and EONIA) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, to be subject to revised calculation methods, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) was published in the Official Journal of the EU on 29 June 2016 and applies since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular in any of the following circumstances:

- an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the "benchmark" could be changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Notes which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes (it being specified that if "*Benchmark Replacement*" applies, a specific fall-back shall apply - please refer to the risk factor entitled "*The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such Notes linked to or referencing such "benchmarks"*" below). Depending on the manner in which a benchmark rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination or FBF Determination applies, be reliant upon the provision by reference banks of offered quotations for the benchmark rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Notes linked to or referencing a "benchmark".

It should be noted that on 24 May 2018, the European Commission published a proposal for a European Regulation amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks. Moreover the text reviews existing provisions of the Benchmarks Regulation by providing an extension of the transition regime for critical and third-country benchmarks until the end of 2021.

Substantially agreed provisions were published in February 2019, subject only to legal and linguistic review and are currently expected to be concluded in the first half of 2019.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

*Future discontinuance of LIBOR and other benchmarks may adversely affect the value of Floating Rate Notes*

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the **FCA Announcement**). Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. In a further speech on 12 July 2018, Andrew Bailey, Chief Executive Officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the Notes. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such Notes.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the **IBORs**) suffer from similar weaknesses to LIBOR and as a result may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any Notes referencing or linked to such IBOR. The development of alternatives to an IBOR may result in Notes linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any Notes linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding notes linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

*The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such Notes linked to or referencing such "benchmarks"*

If "*Benchmark Replacement*" is specified to be "Applicable" in the applicable Final Terms, the Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the Notes), with or without the application of an adjustment spread (which, if applied,

could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer, following consultation with an Independent Adviser, in the case of English Law Notes, or by the Independent Adviser, in the case of French Law Notes, and, in each case, without the consent or approval of the Noteholders.

In certain circumstances, including where no Successor Rate or Alternative Rate (as applicable) is determined or due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time, in all these circumstances other fallback rules might apply if the benchmark is discontinued or otherwise unavailable, which consist in the rate of interest for the last preceding Interest Period to be used for the following Interest Period(s), as set out in the risk factor above entitled "*The reform and regulation of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*".

Generally speaking, the occurrence of any of the events described above could have a material adverse effect on the value of and return on any Notes.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should note that the Issuer, following consultation with an Independent Adviser, in the case of English Law Notes, or the Independent Adviser, in the case of French Law Notes will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholders, any such adjustment will be favourable to each Noteholder.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes.

### ***Risks relating to Notes and the market generally***

Set out below is a brief description of certain risks relating to the Notes and the market generally:

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes*

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

Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the



risk that certain Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

#### *Market Value of the Notes*

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of the reference assets or an index, including, but not limited to, the volatility of the reference assets or an index, or the dividend on the securities taken up in the index, market interest and yield rates and the time remaining to the maturity date.

The value of the Notes, the reference assets or the index depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes, the reference assets, the securities taken up in the index, or the index are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference assets or an index should not be taken as an indication of the reference assets' or an index's future performance during the term of any Note.

*If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*

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 or the ability of the Issuer to make payment in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes*

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, 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 revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (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). 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, subject to transitional provisions that

apply in certain circumstances). Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus. The list of registered and certified rating agencies published by the ESMA on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) 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. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

*Hedging may adversely affect the price, liquidity or 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 the underlying asset(s) 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 the underlying asset(s) 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 underlying asset(s) or related derivatives which may affect the market price, liquidity or value of the Notes and which could be adverse to the interests of the relevant Noteholders.

*Conflicts of interest linked to the Issuer as an affiliate acting as Dealer or Calculation Agent*

Where the Issuer acts as Dealer or Calculation Agent or the Calculation Agent or the Dealer is an affiliate of the Issuer, potential conflicts of interest may exist between the Dealer or the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Notes that may influence the amount receivable or specified assets deliverable on redemption of the Notes.

The Issuer and any Dealer may at the date hereof or at any time hereafter, be in possession of information in relation to an Underlying Reference 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 Dealer to disclose to Noteholders any such information.

The Issuer and/or any of its affiliates may also engage in trading activities (including hedging activities) related to the Underlying Reference of any Note and other instruments or derivative products based on or related to the Underlying Reference of any such Notes for their proprietary accounts or for other accounts under their management and may pursue actions thereto without regard to the consequences for Noteholders. The Issuer and/or any of its affiliates may also issue other derivative instruments in respect of the Underlying Reference of such Notes. The Issuer and/or its affiliates may also act as an underwriter in connection with future offerings of Shares or other securities related to an issue of such Notes or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies. The Issuer and/or any of its affiliates may acquire non-public information in respect of an Underlying Reference which will not be provided to Noteholders. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Notes.

The Issuer and/or any of its affiliates may have existing or future business relationships with any Underlying Reference (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising there from without regard to the consequences for a Noteholder.

***The conditions of the Notes contain provisions which may permit their modification without the consent of all investors***

The 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, or (with respect to French Law Notes) who did not consent to the Written Decision, and Noteholders who voted in a manner contrary to the majority.

***The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest (or similar income) than expected and could significantly adversely affect their return on the Notes***

***The proposed financial transactions tax (FTT)***

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will no longer participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

***U.S. Dividend Equivalent Withholding***

Section 871(m) of the U.S. Internal Revenue Code of 1986 (the **Code**) causes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met (such instruments, **Specified Notes**). If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation---U.S. Dividend Equivalent Withholding*".

For purposes of withholding under the U.S. Foreign Account Tax Compliance Act, commonly known as FATCA, Specified Notes are subject to a different grandfathering rule than other Notes. Prospective investors should refer to the section "*Taxation---Foreign Account Tax Compliance Act*".

***The value of the Notes could be adversely affected by a change in English law, French law or administrative practice***

The conditions of the English Law Notes are based on English law in effect as at the date of this Base Prospectus. The conditions of the French Law Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or French law, as applicable, or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

***Taxation***

Potential purchasers and sellers of Notes should be aware that they may be required to pay taxes or documentary charges in accordance with the laws and practices of the jurisdiction where the Notes are transferred and/or any asset(s) are delivered or deemed located or in other jurisdictions.

Moreover, taxation regime may change from time to time depending on taxation policy of relevant authorities and the personal situation of the investor. No development made in this Base Prospectus shall be read as a legal or tax advice and investors should require personal advice from their own independent and qualified counsels.

***English Law Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued***

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

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

***Risks relating to forward looking statements***

The documentation relating to any particular issuance of Notes under the Programme may contain forward-looking statements. Forward looking-statements are statements that are not historical facts, including statements about the Issuer's beliefs and expectations. Any statement in this document (including any document incorporated by reference) that states the Issuer's intentions, beliefs, expectations or predictions (and their underlying assumptions) is a forward-looking statement. These statements are based on plans, estimates, and projections as they are currently available to the management of the Issuer. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results of the Issuer or of the Notes to differ materially from those contained in any forward-looking statement. Without limiting the generality of the foregoing, the inclusion of forward-looking statements herein should not be regarded as a representation by the Issuer or any other person of the results that will actually be achieved by the Notes. The Issuer has no obligation to update or otherwise revise any forward-looking statements, including revisions to reflect changes in any circumstances arising after the date hereof relating to any assumptions or otherwise.

### ***Risks relating to the general economic situation***

Due to the fact that the Issuer offers services to the general public, it is exposed to the general risk of a deterioration in its situation as a result of economic recessions, large-scale natural disasters, armed conflict, slowdown of the French, European or world economy, fluctuations in unemployment rates and the consumer credit trend and price competition in the market segments where the Issuer is active.

Adverse changes in market or economic conditions could create a challenging operating environment for financial institutions in the future. Such adverse changes could result, in particular, from high volatility in commodities prices (including oil), increases in interest rates, adverse geopolitical events (such as natural disasters, acts of terrorism and military conflicts), or a deterioration in credit market conditions. The Issuer faces a number of specific risks, with respect to adverse future market or economic conditions. Financial markets in France, in Europe and elsewhere may decline or experience increased volatility, which could lead to a decline in capital markets transactions, cash inflows and commissions. Adverse economic conditions could reduce demand for loans by borrowers or increase the rate of defaults by borrowers. These developments would adversely affect the Issuer's net banking income. Revenues and profitability could also be depressed by market losses in the Issuer's securities portfolio or proprietary positions, all resulting from adverse market or economic developments.

In addition, the current financial situation may lead the European Union as well as governments in jurisdictions where the Issuer operates to increase the level of regulation of financial markets. This may have an impact on the Issuer's operations and results.

### ***The relationship of the United Kingdom with the European Union may affect the business of the Issuer***

On 29 March 2017, the United Kingdom (the **UK**) invoked Article 50 of the Lisbon Treaty and officially notified the European Union (**EU**) of its decision to withdraw from the EU. This commenced the formal two-year process of negotiations regarding the terms of the withdrawal and the framework of the future relationship between the UK and the EU (the article 50 withdrawal agreement). As part of those negotiations, a transitional period has been agreed in principle which would extend the application of EU law, and provide for continuing access to the EU single market, until the end of 2020.

However, the UK Parliament has not yet agreed to the article 50 withdrawal agreement and failed to do so by 29 March 2019 (the original date of expiration of the article 50 notice) and therefore the EU has agreed to the UK's request for the postponement of such deadline. Whilst continuing to negotiate the article 50 withdrawal agreement, and in the light of continuing parliamentary debate in the UK, the UK Government has therefore commenced preparations for a 'hard' Brexit or 'no-deal' Brexit to minimise the risks for firms and businesses associated with an exit with no transitional agreement. This has included publishing draft secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that there was a functioning statute book on 30 March 2019. The European authorities have not provided UK firms and businesses with similar assurances in preparation for a 'hard' Brexit.

Due to the on-going political uncertainty as regards the terms of the UK's withdrawal from the EU and the structure of the future relationship, the precise impact on the business of the Issuer is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the market value and/or the liquidity of the Notes in the secondary market.

### ***Risks relating to Notes denominated in Renminbi***

Set out below is a brief description of certain risks relating to Notes denominated in Renminbi.

*Developments in other markets may adversely affect the market price of any Notes denominated in Renminbi*

The market price of Notes denominated in Renminbi may be adversely affected by declines in the international financial markets and world economic conditions. The market for Chinese securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the People's Republic of China (the **PRC**).

*Renminbi is not completely freely convertible; there are still significant restrictions on remittance of Renminbi into and outside the PRC and the liquidity of the Notes denominated in Renminbi may be adversely affected*

Renminbi is not completely freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, despite the significant reduction by the PRC government over the years of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions under current accounts.

However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC government will liberalise the control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi funds into or out of the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

*The availability of Renminbi outside of the PRC is limited, which may affect the liquidity of Notes denominated in Renminbi, and the Issuer's ability to source Renminbi outside the PRC to service such Notes denominated in Renminbi.*

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China (the **PBOC**) has entered into agreements on the clearing of Renminbi business (the **Settlement Agreements**) with financial institutions in a number of financial centres and cities (the **RMB Clearing Banks**), the current size of Renminbi denominated financial assets outside of the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purposes of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints which are directly affected by PRC laws and regulations on foreign exchange. There are no assurances that new PRC regulations will not be promulgated or the settlement agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of Notes denominated in Renminbi.

*Payments in respect of the Renminbi Notes will only be made to investors in the manner specified in the Renminbi Notes*

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in the Offshore CNY Centre (as defined in the Terms and Conditions of the Notes).

Except in limited circumstances, all payments of Renminbi under Notes denominated in Renminbi to an investor will be made solely by transfer to a Renminbi bank account maintained in the Offshore CNY Centre by such investor in accordance with the prevailing rules and regulations for such transfer and in accordance with the terms and conditions of the Notes. The Issuer cannot be required to make payment by any other means (including in bank notes or issuing a cheque or by transfer to a bank account in the PRC or anywhere else outside the Offshore CNY Centre). For persons holding Renminbi Notes through Euroclear France, Euroclear or Clearstream, Luxembourg, payments will also be made subject to the procedures of Euroclear France, Euroclear or Clearstream, Luxembourg, as applicable.

In addition, there can be no assurance that access to Renminbi for the purposes of making payments under such Notes or generally may remain or will not become restricted. If the Calculation Agent determines, in its sole and absolute discretion, that a CNY Currency Disruption Event has occurred, the Issuer's payment obligations under the Notes may be delayed and/or replaced by payments in an Alternate Settlement Currency instead and/or the Notes may be redeemed early. The Noteholders may thus need to source for additional funding in the case of delayed payments or face the risks of early redemption. Such risks could include but are not limited to Early Redemption Unwind Costs, Fair Market Value and reinvestment risk. If the CNY payments under the Notes are paid in the Alternate Settlement Currency instead, the Noteholders may have additional exposure to foreign exchange risk.

*Investment in Notes denominated in Renminbi is subject to exchange rate risks*

The value of the Renminbi against the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the midpoint against the US Dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. The Issuer will make all payments under Renminbi Notes in Renminbi (subject to the third paragraph under the heading "*Payments in respect of the Renminbi Notes will only be made to investors in the manner specified in the Renminbi Notes*" above). As a result, the value of such payments in Renminbi (in other applicable foreign currency terms) may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against foreign currencies, the value of a Noteholder's investment in other applicable foreign currency terms will decline.

*The investment in Notes denominated in Renminbi is subject to interest rate risks*

The PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. Notes denominated in Renminbi may carry a fixed interest rate. Consequently, the trading price of such Notes would vary with fluctuations in Renminbi interest rates. If a Noteholder tries to sell such Notes before their maturity, he may receive an offer that is less than his original investment.

*Investment in Renminbi Notes may be subject to PRC tax*

In considering whether to invest in the Renminbi Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of the Holder's investment in the Renminbi

Notes may be materially and adversely affected if the Holder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.



## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes (as defined below in "Terms and Conditions of the English Law Notes" and the "Terms and Conditions of the French Law Notes"), the applicable Final Terms.*

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive, as amended or superseded.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the English Law Notes*" and the "*Terms and Conditions of the French Law Notes*" shall have the same meanings in this Overview.

Issuer: Cr dit Industriel et Commercial

Risk factors relating to the Issuer: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out at pages 62 to 65 of CIC's *Document de R f rence* 2018 which is incorporated by reference in this Base Prospectus. Such risk factors include: credit risk; regulatory/prudential risk; interest rate risk; liquidity risk; market risk; and operational risk.

Risk factors relating to the Notes: There are certain factors which are material for the purpose of assessing the risks associated with Notes issued under the Programme. These are set out under the heading "*Risk Factors*" below. Such risk factors include: risks relating to French insolvency law and French interest withholding tax rules in France, risks related to the structure of a particular issue of Notes (Indexed Notes; Credit Linked Notes; Equity Linked Notes; Inflation Linked Notes; Currency Linked Notes; Commodity Linked Notes; Fund Linked Notes; Bond Linked Notes; Rate Linked Notes; variable rate Notes with a multiplier or other leverage factor; Fixed to Floating Rate Notes; Notes issued at a substantial discount or premium; risks relating to the reform and regulation of benchmarks); risks relating to market disruption and adjustments; risks relating to Physical Delivery Notes; risks relating to optional redemption by the Issuer; risks relating to Early Redemption such as unwind costs and fair market value; risks relating to structured Notes; risks relating to the market generally such as secondary market risks, risks relating to the market value of the Notes and Exchange rate risks and exchange control risks; risks relating to hedging; risks relating to the United Kingdom's decision to leave the European Union.

Description: Structured Euro Medium Term Note Programme

Arranger: Cr dit Industriel et Commercial

Dealers: Banque de Luxembourg

CIC Est

Crédit Industriel et Commercial

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus.

**Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purpose of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale*".

Under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, which implements the Prospectus Directive, prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of such Act and do not need to be approved by the CSSF.

Principal Paying Agent:

BNP Paribas Securities Services, Luxembourg Branch or the entity specified as such in the applicable Final Terms, with respect to English Law Notes, and BNP Paribas Securities Services with respect to French Law Notes.

Calculation Agent:

Banque de Luxembourg, Crédit Industriel et Commercial, BNP Paribas Securities Services or the entity specified as such in the applicable Final Terms.

Programme Size:

Up to EUR 8,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Currencies:

Notes may be denominated, subject to any applicable legal or regulatory restrictions, in any currency agreed between the Issuer and the relevant Dealer.

Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par (as specified in the applicable Final Terms).
Form of Notes:	The Notes will be issued in bearer form in the Specified Currency and Specified Denomination(s) and definitive Notes will be serially numbered.
Terms of Notes:	The terms of the Notes will be specified in the applicable Final Terms. The following types of Notes may be issued: (i) Fixed Rate Notes, (ii) Floating Rate Notes, (iii) Zero Coupon Notes or (iv) Notes linked to the underlying reference asset(s) specified in the applicable Final Terms such as Credit Linked Notes, Index Linked Notes, Equity Linked Notes, Inflation Linked Notes, Currency Linked Notes, Commodity Linked Notes, Fund Linked Notes, Bond Linked Notes, Rate Linked Notes or any combination thereof.
Redemption:	<p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. For further details, see condition 6 in the Terms and Conditions of the English Law Notes and condition 9 in the Terms and Conditions of the French Law Notes, as the case may be.</p> <p>The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.</p>
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Certain Conditions of the Notes:	See "Terms and conditions of the Notes" on pages 221 to 298 for

a description of certain terms and conditions applicable to all Notes issued under the Programme.

**Taxation:**

All payments in respect of the Notes and, with respect to English Law Notes, Receipts or Coupons, will be made without deduction for or on account of withholding taxes imposed by France or any political subdivision or any authority thereof or therein having power to tax, unless such withholding is required by law. In the event that any such withholding is made, the Issuer will, save in certain limited circumstances provided in Condition 7 (Taxation) of the Terms and Conditions of the English Law Notes and Condition 10 (Taxation) of the Terms and Conditions of the French Law Notes, as the case may be, be required to pay additional amounts to cover the amounts so withheld.

**Rating:**

The long term debt of the Issuer has been rated A by S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc (**S&P**), Aa3 by Moody's Investors Service Ltd (**Moody's**) and A+ by Fitch Ratings Limited (**Fitch**). A rating by S&P denotes a strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances. Aa3 rating by Moody's is judged to be a high quality and subject to very low default risk. A+ rating by Fitch denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the Final Terms and not necessarily be the same as the rating(s) assigned to the Issuer. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Approval, Admission to trading and Listing:**

Application has been made to the CSSF to approve this document as a base prospectus. Application may also be made for Notes issued under the Programme to be listed on Official List of the Luxembourg Stock Exchange. Admission to trading is sought on the Regulated Market of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes

in the United States, the European Economic Area and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Base Prospectus:

- (1) An English translation of the *Document de Référence* relating to the Issuer, incorporating the audited consolidated and non-consolidated annual accounts of the Issuer for the year ended 31 December 2018, the French version of which was registered with the *Autorité des marchés financiers* on 18 April 2019 under number D.19-0362 (the **2018 AR**);
- (2) An English translation of the *Document de Référence* relating to the Issuer, incorporating the audited consolidated and non-consolidated annual accounts of the Issuer for the year ended 31 December 2017, the French version of which was registered with the *Autorité des marchés financiers* on 18 April 2018 under number D.18-0344 (the **2017 AR**);
- (3) The terms and conditions of the Notes contained on pages 93 to 206 of the base prospectus dated 21 November 2007;
- (4) The terms and conditions of the Notes contained on pages 95 to 207 of the base prospectus dated 12 December 2008;
- (5) The terms and conditions of the Notes contained on pages 97 to 215 of the base prospectus dated 11 December 2009;
- (6) The terms and conditions of the Notes contained on pages 105 to 240 of the base prospectus dated 21 January 2011;
- (7) The terms and conditions of the Notes contained on pages 107 to 242 of the base prospectus dated 20 January 2012;
- (8) The terms and conditions of the Notes contained on pages 111 to 220 of the base prospectus dated 18 January 2013;
- (9) The terms and conditions and the technical annex of the Notes contained on pages 130 to 253 of the base prospectus dated 25 September 2013;
- (10) The terms and conditions and the technical annex of the Notes contained on pages 164 to 335 of the base prospectus dated 24 September 2014;
- (11) The terms and conditions and the technical annex of the Notes contained on pages 170 to 397 of the base prospectus dated 2 July 2015;
- (12) The terms and conditions and the technical annex of the Notes contained on pages 190 to 448 of the base prospectus dated 28 June 2016;
- (13) The terms and conditions and the technical annex of the Notes contained on pages 209 to 516 of the base prospectus dated 22 June 2017;
- (14) The terms and conditions and the technical annex of the Notes contained on pages 215 to 525 of the base prospectus dated 28 June 2018,

save that any statement contained herein or 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 Base Prospectus to the extent

that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein 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 Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer 6, avenue de Provence, 75009 Paris, France, on the Issuer's website [www.cic.fr](http://www.cic.fr) (hyperlink: <https://www.cic.fr/fr/banques/le-cic/institutionnel/actionnaires-investisseurs/>) and on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu). This Base Prospectus will also be published on the Issuer's website [www.cic.fr](http://www.cic.fr) and on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu).

The Issuer will in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus, which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new prospectus, in each case to be approved by the CSSF, for use in connection with any subsequent issue of Notes.

The information incorporated by reference that is not included in the cross-reference list (except for any non-incorporated parts of documents or non-incorporated documents, that is, any parts or documents not specifically listed at items (3) to (14) above) is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation. The non-incorporated parts and the non-incorporated documents referred to above are not incorporated by reference as they are not relevant for an investor or are covered elsewhere in the Base Prospectus pursuant to article 28.4 of the Prospectus Regulation.

## **CROSS-REFERENCE LIST RELATING TO INFORMATION INCORPORATED BY REFERENCE**

	Page(s)
	(page(s) correspond to the page(s) of the 2018 AR unless otherwise specified)
<b>RISK FACTORS</b>	
Prominent disclosure of risk factors that may affect the Issuer's ability to fulfil its obligations under the securities to investors in a section headed " <i>Risk Factors</i> "	<b>62 to 65</b>
<b>INFORMATION ABOUT THE ISSUER</b>	
History and development of the Issuer.	<b>29 to 30</b>
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Place of registration of the Issuer and its registration number	<b>384</b>
The date of incorporation and the length of life of the Issuer.	<b>384</b>
Domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, and the address and telephone number of its registered office.	<b>384</b>

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## **PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THIS BASE PROSPECTUS**

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer having taken all reasonable care to ensure that such is the case the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **Crédit Industriel et Commercial**

6, Avenue de Provence  
75009 Paris

Duly represented by  
Philippe VIDAL  
Deputy Director General  
*(Directeur Général Adjoint)*

## FORM OF THE NOTES

Subject as provided below in relation to French Law Notes, each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for, Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an

Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no 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 the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Permanent Global Notes and definitive Notes which have an original maturity of more than 1 year and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

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

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent 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 at a point after the Issue Date of the further Tranche, 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 such time as the Tranches are consolidated and form a single series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

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

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 of the Terms and Conditions of the English Law 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 Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 9.00 p.m. (Paris time) on such day 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/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 26 June 2019 and executed by the Issuer.

## **French Law Notes**

Notwithstanding the foregoing, French Law Notes will be issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*nominatif administré*) inscribed in the books of a Euroclear France Account Holder or in fully registered form (*nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or by the Registration Agent designated in the relevant Final Terms, all as defined in the Terms and Conditions of the French Law Notes.

**FORM OF FINAL TERMS**  
**NOTES WITH A DENOMINATION OF LESS THAN €100,000**  
**(OR ITS EQUIVALENT IN ANY OTHER CURRENCY)**

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes which have a denomination of less than €100,000 (or its equivalent in any other currency) issued under the Programme*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**OR**

**[MIFID II product governance / Retail investors, professional investors and ECPs** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; ***EITHER*** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)** - In connection with Section 309B of the SFA and the

Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>2</sup>

*[The Base Prospectus dated 26 June 2019 expires on 25 June 2020. The updated Base Prospectus will be published on the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu).]*<sup>3</sup>

*Final Terms dated [●]*

[add logo if listed]

## **CREDIT INDUSTRIEL ET COMMERCIAL**

**Legal entity identifier (LEI): N4JDFKKH2FTD8RKFXO39**

**€ 8,000,000,000**

*Structured Euro Medium Term Note Programme*

*(the Programme)*

*Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the Programme*

### **PART A - CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled ["Terms and Conditions of the English Law Notes"] / ["Terms and Conditions of the French Law Notes"] and the section entitled "Technical Annex" in the Base Prospectus dated 26 June 2019 [and the Supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Directive 2003/71/EC, as amended or superseded (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which completes the summary in the Base Prospectus to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus has been and the Final Terms will be published on the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu).]

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled "Terms and Conditions of the English Law Notes" in the Base Prospectus dated [21 November 2007/12 December 2008/11 December 2009/21 January 2011/20 January 2012/18 January 2013/25 September 2013/24 September 2014/2 July 2015/28 June 2016/22 June 2017/28 June 2018] which is incorporated by reference in the Base Prospectus dated 26 June 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC, as amended or superseded (the **Prospectus Directive**) and must be read in

<sup>2</sup> To be included if Notes are offered in Singapore and if the product classification is different from that specified on the cover page of the Base Prospectus.

<sup>3</sup> To be included in the case of a public offer which offer period expires after the expiry date of this Base Prospectus.

conjunction with the Base Prospectus dated 26 June 2019 [and the Supplement[s] to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses. A summary of the specific issue is annexed to these Final Terms. The Base Prospectus has been and the Final Terms will be published on the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu).]

*(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.)*

1. (a) Series Number: [●]
- (b) Tranche Number: [●]
- (c) Date on which the Notes will be consolidated and form a single series: The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]]/[Not Applicable]
2. Specified Currency<sup>4</sup>: [●]
3. Aggregate Nominal Amount:
  - (a) Series: [●]
  - (b) Tranche: [●]
4. Issue Price of Tranche: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only if applicable*)]
5. (a) Specified Denomination(s) [●]
 

*(In respect of French Law Notes, there shall be one denomination only.)*

  - (b) Calculation Amount: [●]
 

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: [●]
- (b) Interest Commencement Date [●]

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<sup>4</sup> Please note that with respect to domestic issues of French Law Notes settled from an Issuer account situated in France, payment relating to French Law Notes shall be made in euros (in accordance with Article 1343-3 of the French *Code Civil*).



(if different from the Issue Date):

7. Maturity Date: *[If Fixed Rate, specify date – If Floating Rate: Interest Payment Date falling in or nearest to [specify date]]*
8. Type of Notes:
- (a) *[Fixed Rate/Floating Rate/Fixed to Floating Rate/Fixed to Structured Rate/Floating-to-Structured Rate/Zero Coupon/Zero Coupon to Structured Rate/Credit Linked/ Index Linked/Equity Linked/Inflation Linked/Currency Linked/Commodity Linked/Fund Linked/Bond Linked/Rate Linked/Combined]*
- (b) *The Notes relate to [describe the relevant Underlying Reference(s)].*
9. Interest Basis:
- [Fixed Rate Coupon equal to [●] per cent. Fixed Rate per annum/[●] per cent. of Specified Denomination]/ [Floating Rate Coupon equal to LIBOR/EURIBOR/CMS/EONIA/CPTFEMU/TEC] +/- [●] per cent. per annum]/*
- [Fixed to Floating Coupon: Fixed Rate Coupon equal to [●] per cent. Fixed Rate per annum/[●] per cent. of Specified Denomination/ Floating Rate Coupon equal to [LIBOR/EURIBOR/CMS/EONIA/CPTFEMU/TEC] +/- [●] per cent. per annum]*
- [Zero Coupon] /*
- [Floating to Structured Coupon: [Floating Rate Coupon equal to LIBOR/EURIBOR/CMS/EONIA/CPTFEMU/TEC] +/- [●] per cent. per annum] to [[Participative Coupon]/[Internal Rate of Return Coupon]] /*
- [Fixed to Structured Coupon: [Fixed Rate Coupon equal to [●] per cent. Fixed Rate per annum/[●] per cent. of Specified Denomination] to [[Participative Coupon]/[Internal Rate of Return Coupon]] /*
- [Zero Coupon to Structured Coupon: Zero Coupon to [[Participative Coupon]/[Internal Rate of Return Coupon]] /*
- [Combined Coupon: (specify)]/*
- [Participative Coupon]/*
- [Internal Rate of Return Coupon]/*
- [Not Applicable: The Notes do not bear any Interest]*
- (see paragraph[s] [14][15][16][17][18][19][20][21][22][23][24] below)*

10. Redemption/[Payment Basis]: *[Redemption at a fixed level: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [at least 100] per cent. of their nominal amount.]*  
 [Credit Linked Redemption]  
 [Index Linked Redemption]  
 [Equity Linked Redemption]  
 [Inflation Linked Redemption]  
 [Currency Linked Redemption]  
 [Commodity Linked Redemption]  
 [Fund Linked Redemption]  
 [Bond Linked Redemption]  
 [Rate Linked Redemption]
- (N.B. If the Final Redemption Amount is lower than 100 per cent. of the nominal value or where the redemption amount depends on an underlying, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. Change of Interest Basis: *[Specify details of any provision for change of Notes into another Interest Basis or cross refer paragraphs [14] and [15] below if details are included there]/[Not Applicable]*
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [Not Applicable]
- [see paragraph[s] [30] [and] [31] below]
13. Date of Board approval for issuance of the Notes: The issue of the Notes has been authorised by a resolution of the Issuer's *Conseil d'Administration* (Board of Directors) dated [●]

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

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Subject to the provisions of item [17][18][19][20][21][22][23][24] (insert in the case of Index Linked, Credit Linked, Equity Linked, Inflation Linked, Currency Linked, Commodity Linked, Fund Linked or Bond Linked Notes which bear interest)]
- (a) Fixed Rate[(s)] of Interest: [●] per cent. per annum payable in [arrear/advance] on each Interest Payment Date
- [●] per cent. of Specified Denomination payable in [arrear/advance] on each Interest Payment Date

- (b) Interest Payment Date(s):  *[[insert date] up to and including the Maturity Date]*/
- (c) Fixed Coupon Amount(s):  per Calculation Amount /
- (d) Broken Amount(s):  per Calculation Amount, payable on the Interest Payment Date falling  *[[in/on] [●]]*/ *[Not Applicable]*
- [Insert particulars of any Initial or Final Broken Amounts of interest which do not correspond with the Fixed Coupon Amount(s)]*
- (e) Determination Date(s):  *[[in each year]]*/ *[Not Applicable]*
- (Only relevant where Day Count Fraction is Actual / Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- (f) [Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent)<sup>5</sup>]:  *[[●]]*/ *[Not Applicable]*

**15. Floating Rate Note Provisions**  *[Applicable/Not Applicable]*

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

*[Subject to the provisions of item [17][18][19][20][21][22][23][24] (insert in the case of Index Linked, Credit Linked, Equity Linked, Inflation Linked, Currency Linked, Commodity Linked, Fund Linked or Bond Linked Notes which bear interest)]*

- (a) Interest Period(s):  *[[insert period(s)]]*
- (b) Interest Payment Date(s):  *[[insert dates(s)]]*
- (c) Manner in which the Rate of Interest and Interest Amount is to be determined:  *[Screen Rate Determination/ISDA Determination/FBF Determination]*
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):  *[[●]]*/ *[Not Applicable]*
- (e) Screen Rate Determination:

<sup>5</sup> RMB Rate Calculation Agent must be specified for RMB Notes.

- Reference Rate and Relevant Financial Centre: Reference Rate: [            ] month  
[LIBOR/EURIBOR/CMS/EONIA/TEC/ (inflation)  
CPTFEMU [x Leverage].  
  
[London/Brussels/specify other Relevant Financial Centre]
- Interest Determination Date(s): [●]
- Specified Time: [●] (*which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR*)
- Relevant Screen Page: [●]  
  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- Leverage: [●]
- (f) ISDA Determination:
  - Floating Rate Option: [●][x Leverage]
  - Designated Maturity: [●]
  - Reset Date: [●]  
  
*(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*
  - Leverage: [●]
- (g) FBF Determination:
  - Floating Rate: [●]
  - Floating Rate Determination Date: [●]
  - FBF Definitions: (if different from those set out in the Conditions): [●]
  - [Leverage: [●]]
- (h) Margin(s): [ +/- ][●] per cent. per annum

(i) Minimum Rate of Interest: [[●] per cent. per annum [if the Floating Rate + Margin is [lower than/greater than or equal to] [●] per cent. per annum] [*specify other applicable condition from the Technical Annex if any*] / Not Applicable]

*(Amend appropriately in the case of irregular coupons)*

(j) Maximum Rate of Interest: [[●] per cent. per annum [*specify applicable condition from the Technical Annex if any*] / Not Applicable]

*(Amend appropriately in the case of irregular coupons)*

(k) Benchmark Replacement: [Applicable/Not Applicable]

**16. Zero Coupon Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*

(a) Accrual Yield: [●] per cent. per annum

(b) Reference Price: [●]

*(Consider applicable Day Count Fraction if euro denominated)*

(c) Day Count Fraction in relation to Early Redemption Amounts:

[30/360]/  
[Actual/360]/  
[Actual/365]

**17. Index Linked Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Index/Indices: [●]

(b) Screen Page: [*Specify if applicable, or give the sources of observation for each index*]

(c) Component Transactions: [●]

(d) Formula to be used to determine the Index Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]

*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*

(e) Valuation Method: The Valuation Method shall be [Highest]/[Average

- Highest]/[Market Value]/[NA]
- (f) Quotation Method: The Quotation Method shall be [Bid]/[Mid]/[Ask]/[NA]
- (g) Quotation Amount: The Quotation Amount shall be [●]/[As set out in the Conditions]/[●]
- (h) Averaging: Averaging [applies/does not apply] to the Notes.  
[The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]  
[Modified Postponement]
- (only applicable if Modified Postponement is applicable as an Averaging election)*  
[Specified Maximum Days of Disruption will be equal to: [●]/[eight]]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (i) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] will apply.]
- (j) Observation Period(s): [*Specify*]/Not Applicable]
- (k) Exchange Business Day: [●]
- (l) Scheduled Trading Day: [●]/[As per Condition 20]
- (m) Exchange(s) and Index Sponsor: (A) the relevant Exchange[s] [is/are] [●] and  
(B) the relevant Index Sponsor is [●].
- (n) Related Exchange: [*Specify*]/Each exchange or quotation system on which option contracts or futures contracts relating such Index is traded]
- (o) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time.*)]

- 18. Credit Linked Notes Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [Part A – 2009 ISDA Credit Derivatives Definitions] / [Part B – 2014 ISDA Credit Derivatives Definitions] shall apply.
- (a) Interest payment condition: [Conditional upon the [occurrence/non-occurrence] of a Credit Event on the [Reference Entity(ies)/Reference Obligation(s)] during the Reference Period]/[Not Applicable]
- (b) Formula to be used to determine the Credit Linked Interest Amount: [Fixed Rate / Floating Rate/ Fixed to Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]
- [Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (c) Reference Period: The period commencing at or after 12.01 a.m., Greenwich Mean Time (**GMT**) on (and including) [*specify date*] and ending at or prior to 11.59 p.m., GMT on (and including, subject as provided below) the Scheduled Termination Date. [*if other period applicable, delete previous sentence and insert applicable provisions*]
- (d) Trade Date: [●]
- (e) Transaction Type: [*specify*]
- (f) Scheduled Termination Date: [*Maturity Date unless otherwise specified*]
- (g) Reference Entity(ies): [[●] and any Successor/Not Applicable/*(if there is more than one Reference Entity)* The Reference Entities specified in Annex 2 hereto (or any Successor thereto)]
- (h) Reference Obligation(s): [*(only if Part A – 2009 ISDA Credit Derivatives Definitions apply)* [●]/Not Applicable]
- [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Standard Reference Obligation: [Applicable: [Seniority Level: Senior Level / Subordinated Level / As set out in the Conditions] / Not applicable: specify the Non-Standard Reference Obligation]*
- [(if there is more than one Reference Entity) For each Reference Entity, the Reference Obligation(s) specified in Annex 2 hereto]*

- (i) Reference Obligation Notional Amount: /Not Applicable]
- (j) Credit index:  (*specify the name of the credit index, the name of the sponsor of the credit index, the index roll (if applicable) and the weighting of each underlying of the credit index*) /Not Applicable]
- (k) Index tranche: /[Not Applicable] (*If applicable, specify the tranche*)
- (l) Issuer(s)<sup>6</sup>: /Not Applicable]
- (m) Guarantor(s): /Not Applicable]
- (n) All Guarantees: [Applicable/Not Applicable]
- (only if Part A – 2009 ISDA Credit Derivatives Definitions apply): Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]]*
- (o) Obligation: Obligation Category: [Payment]  
[Borrowed Money]  
[Reference Obligations Only]  
[Bond]  
[Loan]  
[Bond or Loan]
- Obligation Characteristics: [Not Subordinated]  
[Not Sovereign Lender]  
[Specified currency]  
[Not Domestic Currency]  
[Not Domestic Law]  
[Listed]  
[Not Domestic Issuance]
- Excluded Obligations: [None]/[specify]
- (p) Grace Period: [The number of days equal to the grace period with respect to payments in accordance with the terms of, and under, the relevant Obligation, and, if no grace period is applicable, zero./insert maximum number of days]
- (q) Grace Period Extension: [Applicable/Not Applicable]
- (r) Maturity Date Extension: [Applicable/Not Applicable]
- (s) Credit Events: [Bankruptcy]  
[Failure to Pay]  
[Loss Event]

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<sup>6</sup>This relates to the Reference Entity and/or the Reference Obligation.



- [Obligation Acceleration]  
 [Obligation Default]  
 [Rating Downgrade]  
 [Repudiation/Moratorium]  
 [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Governmental Intervention]  
 [Restructuring:  
 [Multiple Holder Obligation: Applicable]  
 [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable]  
 [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable]  
 [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Mod R: Applicable]  
 [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Mod Mod R: Applicable]
- (t) Payment Requirement: [Applicable/Not Applicable]  
 [Specify]  
 (If not specified, Payment Requirement will be USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable).
- (u) Default Requirement: [Applicable/Not Applicable]  
 [Specify]  
 (If not specified, Default Requirement will be USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).
- (v) Fallback provisions: [Applicable : [Specify the fallback provisions of the relevant underlying hedging agreement entered into by the Issuer / In accordance with Condition 19.19]/Not Applicable  
 (Only applicable for a credit index or an index tranche)
- (w) [Financial Reference Entity Terms (only if Part B – 2014 ISDA Credit Derivatives Definitions apply): [Applicable/Not Applicable]/[(If there is more than one Reference Entity) According to the Transaction Type specified in Annex 2 hereto: Applicable if the Transaction Type is a Financial Transaction Type]]
- (x) [Subordinated European Insurance (only if Part B – 2014 ISDA Credit Derivatives Definitions [Applicable/Not Applicable]]

apply):

- 19. Equity Linked Note Provisions** [Applicable/Not Applicable]
- (if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Share(s): [●]
- (b) ISIN of Share(s): [Specify]
- (c) Screen Page/Exchange Code: [Specify]
- (d) Formula to be used to determine the Equity Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]
- [Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (e) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- [Modified Postponement]
- (only applicable if Modified Postponement is applicable as an Averaging election).*
- [Specified Maximum Days of Disruption will be equal to: [●]/[eight]]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (f) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (g) Observation Period(s): [Specify/Not Applicable]
- (h) Exchange Business Day: [●]
- (i) Scheduled Trading Day: [●]/[As per Condition 21]
- (j) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (k) Related Exchange(s): [Specify/Each exchange or quotation system on which

option contracts or futures contracts relating such Share are traded]

- (l) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).

**20. Inflation Linked Note Provisions** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Index/Indices: [●]
- (b) Screen Page/Exchange Code: [●]
- (c) Formula to be used to determine the Inflation Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]
- [Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (d) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (e) Specified Maximum days of Disruption: [●]/[eight]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (f) Cut-Off Date: [●]/[Not Applicable]
- (g) Related Bond: [[●]/Fall Back Bond]/[Not Applicable]
- (h) Issuer of Related Bond: [●]/[Not Applicable]
- (i) Fall Back Bond: [Applicable/Not Applicable]
- (j) Index Sponsor: [●]
- (k) Scheduled Trading Day: [Not Applicable/specify]
- (l) Relevant Time: [Not Applicable/specify]

(m) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable].  
[In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]

(n) Observation Period(s): [*specify*/Not Applicable]

**21. Currency Linked Interest Note Provisions** [Applicable/Not Applicable]

*(if not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Exchange Rate(s): [●]

(b) Formula to be used to determine the Currency Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]

*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*

(c) Screen page: [●]

(d) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

(e) Scheduled Trading Day: [●]

(f) Specified Maximum days of Disruption: [●]/[eight]

*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*

(g) Relevant Time: [●]

(h) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable]. [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]

(i) Observation Period(s): [*specify*/Not Applicable]

**22. Commodity Linked Interest Note Provisions** [Applicable/Not Applicable]

*(if not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Commodity/Commodities/Commodity Index: [●]
- (b) Formula to be used to determine the Commodity Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]  
*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (c) Deadline for publication of correction of Commodity Reference Price: [●]/[As per Condition 24]
- (d) Commodity Reference Price: [●]  
the Price Source is/are: [●]
- (e) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (f) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]  
*[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]*
- (g) Specified Maximum Days of Disruption: [●]/[two]  
*(if no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to two) (applicable only to Price Source Disruption or Trading Disruption)*
- (h) Disruption Fallback(s): [●]/[Not Applicable]
- (i) Delayed Redemption on Occurrence of Market Disruption Event: [Applicable/Not Applicable]
- (j) Relevant Time: [●]
- (k) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable]. [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement]

will apply.]

(l) Observation Period(s): [Specify/Not Applicable]

**23. Fund Linked Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Fund/Funds: [●]

[The [●] Fund is an ETF]<sup>7</sup>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(b) Fund Shares: [●][●]

[The [●] Fund is an ETF]<sup>8</sup>

(c) Weighting: [Not Applicable]/[The Weighting to be applied to each Fund Share comprising the Fund Basket is [●]][●]

(d) Formula to be used to determine the Fund Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate/ Floating to Structured Rate/Zero Coupon to Structured Rate/ Combined / Participative Coupon / Internal Rate of Return Coupon]

*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*

(e) Exchange(s): [●]/[Not Applicable] *(only applicable to ETFs)*[Not Applicable]/[The Weighting to be applied to each Fund Share comprising the Fund Basket is [●]]

(f) Related Exchange: [●]/[All Exchanges]/[Not Applicable] *(only applicable to ETFs)*[●]/[Not Applicable] *(only applicable to ETFs)*

(g) Scheduled Trading Day: [All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis] *(only applicable to ETFs)*[●]/[All Exchanges]/[Not Applicable] *(only applicable to ETFs)*

(h) Fund Documents: [●] A copy of the Funds Documents [is annexed to these Final Terms][can be obtained from [●]][All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis] *(only applicable to ETFs)*

(i) Fund Business Day: [All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis][●] A copy of the Funds Documents [is annexed to these Final Terms][can be obtained from [●]]

(j) Fund Service Provider: [As per Conditions]/[●][All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis]

<sup>7</sup>Specify each ETF (if any).

<sup>8</sup>Specify each ETF (if any).

- (k) Calculation Date(s): [As per Conditions]/[●][As per Conditions]/[●]
- (l) Initial Calculation Date: [●]/[Not applicable][As per Conditions]/[●]
- (m) Final Calculation Date: [●]/[Not applicable][●]/[Not applicable]
- (n) NAV Barrier: [●][●]/[Not applicable]
- (o) NAV Trigger Percentage: [As per Conditions]/[●][●]
- (p) NAV Trigger Period: [●][As per Conditions]/[●]
- (q) Number of NAV Publication Days: [●][●]
- (r) Cash Facility and Spread: [Overnight USD LIBOR Facility – [Spread of + ● bps /- ● bps]]/[Overnight EURIBOR Facility – [Spread of + ● bps /- ● bps]]/[3 month USD LIBOR Facility – [Spread of + ● bps /- ● bps]]/[3 month EURIBOR Facility – [Spread of + ● bps /- ● bps]]/[specify][●]
- (s) Formula: [●][Overnight USD LIBOR Facility – [Spread of + ● bps /- ● bps]]/[Overnight EURIBOR Facility – [Spread of + ● bps /- ● bps]]/[3 month USD LIBOR Facility – [Spread of + ● bps /- ● bps]]/[3 month EURIBOR Facility – [Spread of + ● bps /- ● bps]]/[specify]
- (t) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [●][Principal Paying Agent]/[Dealer]/[Other [Address]
- (u) Interest Period(s): [●]
- (v) Interest Period End Date(s): [●]
- Business Day Convention for Interest Period End Date(s): [●]  
[Following/Modified Following/Preceding/FRN/None]
- (w) Interest Payment Date(s): [●]
- Business Day Convention for Interest Payment Date(s): [●]  
[Following/Modified Following/Preceding/FRN/None/Not applicable]
- (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) are expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)[●]*
- [Following/Modified Following/Preceding/FRN/None]

24. **Bond Linked Notes Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Type of Bond Linked Notes: [Single Bond Linked Notes][Basket Bond Linked Notes]  
 (b) Interest payment condition: [Conditional upon the [occurrence/non-occurrence]of a Bond Event on the Bond(s) during the Reference Period]/[Not Applicable]

(c) Reference Period: The period commencing at or after 12.01 a.m., Greenwich Mean Time (GMT) on (and including) [specify date] and ending at or prior to 11.59 p.m., GMT on (and including, subject as provided below) the Scheduled Maturity Date. [if other period applicable, delete previous sentence and insert applicable provisions]

(d) Formula to be used to determine the Bond Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]

*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*

(e) Trade Date: [●]

(f) First Bond Event Occurrence Date: [●]

(g) Scheduled Maturity Date: [specify]

(h) Bond(s): [If single Bond Linked Notes]

Bond Issuer	Bond ISIN Code	Bond Currency	Bond Notional Amount	Maturity
[●]	[●]	[●]	[●]	[●]

*[If Basket Bond Linked Notes]*

**Reference Portfolio**

Bond Issuer	Bond ISIN Code	Bond Weighting	Bond Currency	Bond Notional Amount	Maturity	Reference Price
[●]	[●]	[●]	[●]	[●]	[●]	[●]

(i) Bond Currency: [For Single Bond Linked Notes: The Bond Currency



described in paragraph “Bond(s)” above]

*[For Basket Bond Linked Notes: The Bond Currency described in respect of the Bonds comprised in the Reference Portfolio as described in paragraph “Bond(s)” above]*

(j) Bond Notional Amount: *[For Single Bond Linked Notes: On the Issue Date, the Bond Notional Amount in the Bond Currency, each as described in paragraph 24(h) above and thereafter as modified in accordance with the definition of “Bond Notional Amount” in the Additional provisions applicable to Bond Linked Notes.]*

*[For Basket Bond Linked Notes: On the Issue Date, the Bond Notional Amount in the Bond Currency described in respect of the Bonds comprised in the Reference Portfolio, all as described in paragraph 24(h) above and thereafter as modified in accordance with the definition of “Bond Notional Amount” in the Additional provisions applicable to Bond Linked Notes]*

(k) Bond Events: *[If Single Bond Linked Notes: The Bond Event(s) specified below] [If Basket Bond Linked Notes: For each Bond comprised in the Reference Portfolio, the Bond Event(s) specified below:]*

[Bond Acceleration]

[Bond Default]

[Bond Early Redemption]

[Bond Governmental Intervention]

[Bond Issuer ISDA Event]

[Bond Restructuring]

[Bond Failure to Pay]

(l) Default Requirement: [Applicable/Not Applicable]

*[Specify]*

*(If not specified, Default Requirement will be USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).*

**25. Rate Linked Notes Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Underlying Rate(s): [●]
- (b) Screen Rate Determination: [Applicable/Not Applicable]
- Relevant Screen Page(s): [●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
  - Relevant Financial Centre(s): [London/Brussels/specify other Relevant Financial Centre]
  - Rate Determination Date(s): [●]
  - Relevant Time: [●] *(which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR)*
- (c) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date(s): [●] *(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*
  - Leverage: [●]
  - Underlying ISDA Rate: [●]
- (d) FBF Determination: [Applicable/Not Applicable]
- Rate Determination Date(s): [●]
  - FBF Definitions (if different from those set out in the Conditions): [●]
  - [Leverage: [●]]
- (e) Formula to be used to determine the Rate Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Floating Rate / Fixed to Structured Rate/ Floating to Structured Rate/Zero Coupon to Structured Rate/ Combined / Participative Coupon / Internal Rate of Return Coupon]
- [Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*

- (f) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are .
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (g) Observation Date(s):
- (h) Observation Period:
- (i) Scheduled Trading Day:
- (j) Specified Maximum Days of Disruption: /[As defined in Condition 27.3]
- (k) Trade Date:
- (l) Valuation Date(s):

**26. [ Business Day Convention**

- (a) For Interest Payment Dates: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (b) For Interest Periods: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (c) For the Maturity Date or Redemption Date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (d) Any other date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

- 27. Day Count Fraction:** [30/360]/[Actual/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/[Actual/365 – FBF]/[Actual/365 (Fixed)]/[Actual/365 (Sterling)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond basis]//[Not Applicable]

- 28. Additional Business Centre(s):**

## GENERAL PROVISIONS RELATING TO REDEMPTION

- 29. Notice periods for Condition 6.2 of the English Law Notes and Condition 9.2 of the French Law Notes:** Minimum period: [ ] days  
Maximum period: [ ] days
- 30. Issuer Call** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s): [[●] per Calculation Amount [less Early Redemption Unwind Costs. Early Redemption Unwind Costs means [Standard Early Redemption Unwind Costs]]/Fair Market Value]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [●]
- (ii) Maximum Redemption Amount: [●]
- (d) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- 31. Investor Put** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s): [●] per Calculation Amount [minus the Early Redemption Fees]
- (c) Early Redemption Fees: [Not Applicable/[●] per cent. of the Calculation Amount]
- (d) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days

**32. Early Redemption upon the crossing of a Coupon threshold** [[Condition [6.6(a)]/[6.6(b)] of the English Law Notes][[9.6(a)]/[9.6(b)] of the French Law Notes] is applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Threshold Observation Start Date: [●]

(b) Threshold Percentage: [●]

(c) Threshold Redemption Amount: [●]

(d) Threshold Redemption Date: [next Interest Payment Date after the crossing of the Threshold Percentage]/ [[●] business days after the crossing of the Threshold Percentage]

*(if Condition 6.6(a) of the English Law Notes or Condition 9.6(a) of the French Law Notes, as the case may be, applies, the Threshold Redemption Dates are the same as Interest Payment Dates)*

(e) Notice periods: [In accordance with Condition [6.6 of the English Law Notes]/[9.6 of the French Law Notes] / [●] business days]

**33. Final Redemption Amount** (a) [[●] per Calculation Amount] The [Credit/Index/Equity/Inflation/Currency/Commodity/Fund/Bond/Rate] Linked Redemption Amount specified below/[Physical Delivery]

(b) Settlement Method: [Cash Settled Notes]/[Physical Delivery]

*(NB: In the case of any Equity Linked Notes or Credit Linked Notes, specify whether the Notes are Cash Settled Notes or Physical Delivery Notes. All other Notes are cash settled Notes)*

*(If the Final Redemption Amount is lower than 100 per cent. of the nominal value or where the redemption amount depends on an underlying, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.)*

(a) Index Linked Redemption Amount: [Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Index/Indices: [●]
- (ii) Screen Page: *[Specify if applicable, or give the sources of observation for each index]*
- (iii) Component Transactions: [●]
- (iv) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Generic Reverse with European Barrier] / [Generic Short Call Spread] / [Lock-In] / [Autocall with [European/American] Barrier] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:  
  
*[Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (v) Settlement Price: [●]
- (vi) Valuation Method: The Valuation Method shall be [Highest]/[Average Highest]/[Market Value]/[NA]
- (vii) Quotation Method: The Quotation Method shall be [Bid]/[Mid]/[Ask]/[NA]
- (viii) Quotation Amount: The Quotation Amount shall be [●]/[As set out in the Conditions]/[NA]
- (ix) Averaging: Averaging [applies/does not apply] to the Notes.  
[The Averaging Dates are [●].]  
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]  
[Modified Postponement]  
  
*(only applicable if Modified Postponement is applicable as an Averaging election)*  
[Specified Maximum Days of Disruption will be equal to: [●]/[eight]]  
  
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (x) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] will apply.]
- (xi) Observation Period(s): [Specify/Not Applicable]
- (xii) Exchange Business [●]

- Day:
- (xiii) Scheduled Trading Day: [●]/[As per Condition 20]
- (xiv) Exchange(s) and Index Sponsor:
- (A) the relevant Exchange[s] [is/are] [●] and
- (B) the relevant Index Sponsor is [●].
- (xv) Related Exchange: [*Specify*/Each exchange or quotation system on which option contracts or futures contracts relating such Index is traded]
- (xvi) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time*).
- (xvii) Additional Disruption Events:
- [(A)] The following Additional Disruption Events apply to the Notes:  
(Specify each of the following which applies.)  
[Change of Law]  
[Hedging Disruption]  
[Increased Cost of Hedging]  
[Increased Cost of Stock Borrow]  
[Loss of Stock Borrow]
- [(B)] [The Trade Date is [●]. [*If no Trade Date is specified, Issue Date will be the Trade Date*]
- (*N.B. only applicable if Change of Law and/or Increased Cost of Hedging is applicable*)
- [(C)] [The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant Share*] is [●].
- (*N.B. only applicable if Loss of Stock Borrow is applicable*)
- [(D)] [The Initial Stock Loan rate in respect of [*specify in relation to each relevant Share*] is [●].
- (*N.B. only applicable if Increased Cost of Stock Borrow is applicable*)]
- (xviii) Market Disruption Specified Maximum Days of Disruption will be equal to [●]/[eight]
- (*if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight*)
- (xix) Knock-in Event: [Not Applicable/*specify*/"greater than"/"greater than or equal

to"/" less than"/"less than or equal to" Knock-in Level]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (A) Knock-in Level: [Specify]
  - (B) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
  - (C) Knock-in Period Beginning Date: [Not Applicable/specify]
  - (D) Knock-in Period Ending Date: [Not Applicable/specify]
  - (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xx) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (A) Knock-out Level: [Specify]
- (B) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/specify]
- (D) Knock-out Period Ending Date: [Not Applicable/specify]



- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xxi) Automatic Early Redemption Event: [Not Applicable/specify/["greater than or equal to"/"less than"/"less than or equal to"] Automatic Early Redemption Level]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (A) Automatic Early Redemption Amount: [Specify/See definition in Condition 20]
- (B) Automatic Early Redemption Date(s): [Specify]
- (C) Automatic Early Redemption Price: [Specify]
- (D) Automatic Early Redemption Level: [Specify]
- (E) Automatic Early Redemption Rate: [Specify]
- (F) Automatic Early Redemption Valuation Date(s): [Specify]
- (b) Credit Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Part A – 2009 ISDA Credit Derivatives Definitions] / [Part B – 2014 ISDA Credit Derivatives Definitions] shall apply.
- (i) Trade Date: [●]
- (ii) Transaction Type: [Specify]

- (iii) Scheduled Termination Date: [Maturity Date unless otherwise specified]
- (iv) Reference Entity(ies): [[●] and any Successor/Not Applicable/(if there is more than one Reference Entity) The Reference Entities specified in Annex 2 hereto (or any Successor thereto)]
- (v) Reference Obligation(s): [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) [●]/Not Applicable]
- [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Standard Reference Obligation: [Applicable: [Seniority Level: Senior Level / Subordinated Level / As set out in the Conditions] / Not applicable: specify the Non-Standard Reference Obligation]
- [(if there is more than one Reference Entity) For each Reference Entity, the Reference Obligation(s) specified in Annex 2 hereto]
- (vi) Reference Obligation Notional Amount: [[●]/Not Applicable]
- (vii) Credit index: [[●] (specify the name of the credit index, the name of the sponsor of the credit index, the index roll (if applicable) and the weighting of each underlying of the credit index) /Not Applicable]
- (viii) Index tranche: [●]/[Not Applicable] (If applicable, specify the tranche)
- (ix) Issuer(s)<sup>9</sup>: [[●]/Not Applicable]
- (x) Guarantor(s): [[●]/Not Applicable]
- (xi) All Guarantees: [Applicable/Not Applicable]
- [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply): Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]]
- (xii) Obligation: Obligation Category: [Payment]  
[Borrowed Money]  
[Reference Obligations Only]  
[Bond]  
[Loan]  
[Bond or Loan]  
[Payment]  
[Borrowed Money]  
[Reference Obligations Only]  
[Bond]  
[Loan]  
[Bond or Loan]

<sup>9</sup>This relates to the Reference Entity and/or the Reference Obligation.

	Obligation Characteristics:	[Not Subordinated] [Not Sovereign Lender] [Specified currency] [Not Domestic Currency] [Not Domestic Law] [Listed] [Not Domestic Issuance]
	Excluded Obligations:	[None]/[specify]
(xiii)	Grace Period:	[The number of days equal to the grace period with respect to payments in accordance with the terms of, and under, the relevant Obligation, and, if no grace period is applicable, zero./insert maximum number of days]
(xiv)	Grace Period Extension:	[Applicable/Not Applicable]
(xv)	Maturity Date Extension:	[Applicable/Not Applicable]
(xvi)	Credit Events:	[Bankruptcy]  [Failure to Pay]  [Loss Event]  [Obligation Acceleration]  [Obligation Default]  [Rating Downgrade]  [Repudiation/Moratorium]  [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Governmental Intervention]  [Restructuring:  [Multiple Holder Obligation: Applicable]  [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable]  [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable]  [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Mod R: Applicable]

- [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Mod Mod R: Applicable]*
- (xvii) Payment Requirement: [Applicable/Not Applicable]
- [Specify]*
- (If not specified, Payment Requirement will be USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable).*
- (xviii) Default Requirement: [Applicable/Not Applicable]
- [Specify]*
- (If not specified, Default Requirement will be USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).*
- (xix) Fallback provisions: [Applicable : *[Specify the fallback provisions of the relevant underlying hedging agreement entered into by the Issuer / In accordance with Condition 19.19]*/Not Applicable
- (Only applicable for a credit index or an index tranche)*
- (xx) [Financial Reference Entity Terms *(only if Part B – 2014 ISDA Credit Derivatives Definitions apply)*): [Applicable/Not Applicable]/*[(If there is more than one Reference Entity) According to the Transaction Type specified in Annex 2 hereto: Applicable if the Transaction Type is a Financial Transaction Type]*
- (xxi) [Subordinated European Insurance *(only if Part B – 2014 ISDA Credit Derivatives Definitions apply)*]: [Applicable/Not Applicable]
- [(only if Part A - 2009 ISDA Credit Derivatives Definitions apply) Conditions to Settlement (if any)] [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply)] [Notice of Publicly Available Information *(only if Part A - 2009 ISDA Credit Derivatives Definitions apply)*]

apply)  
 Notice of  
 Publicly  
 Available  
 Information]:

[Applicable/Not applicable]

If applicable: **Specified Number:** [●] (*if applicable and not specified, it shall be two*)

Publicly Available Information: [*Specify/Not Applicable*]

– Settlement: [Auction/Cash/Physical] Settlement (*please specify*)

*Terms relating to Physical Settlement:*

(xxii) Deliverable Obligations: [Include Accrued Interest] / [Exclude Accrued Interest]

(xxiii) Deliverable Obligations: Deliverable Obligation Category:

[Payment]  
 [Borrowed Money]  
 [Reference Obligation Only]  
 [Bond]  
 [Loan]  
 [Bond or Loan]

Deliverable Obligation Characteristics:

[Not Subordinated]  
 [Specified Currency]  
 [Not Domestic Currency]  
 [Not Sovereign Lender]  
 [Not Domestic Law]  
 [Listed]  
 [(*only if Part A - 2009 ISDA Credit Derivatives Definitions apply*) Not contingent]  
 [Not Domestic Issuance]  
 [Assignable Loan]  
 [Consent Required Loan]  
 [Transferable]  
 [Maximum Maturity]  
 [Accelerated or Matured]  
 [Not Bearer]

Excluded Obligations: [None][*specify*]

(xxiv) Physical Settlement Period: The longest of the number of Business Days for settlement in accordance with the then current market practice of any Deliverable Obligation being Delivered, as determined by the Calculation Agent, subject to a minimum of

[30/90/120/other] Business Days following the satisfaction of all Conditions to Settlement.

- (xxv) Number of calendar days' notice (Notice of Physical Settlement): [0/5/specify number] days  
[insert number of calendar days prior to Physical Settlement Date]
- (xxvi) Physical Settlement Date: The date within the Physical Settlement Period upon which all the Deliverable Obligations specified in the Notice of Physical Settlement are Delivered; provided that if on the last day of the Physical Settlement Period the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered due to any reason as set out in Conditions 19.28, 19.29, 19.30 and 19.32 (*Partial Cash Settlement Terms*), the Physical Settlement Date shall be the last day of the Physical Settlement Period.
- (xxvii) Latest Permissible Physical Settlement Date: [[specify number] days after the final day of the Physical Settlement Period].
- (xxviii) Unwind Amount: [Applicable: [Specify/Standard Unwind Costs]/Not Applicable]

*Terms relating to Cash Settlement:*

- (xxix) Valuation Date: [●]
- (xxx) Valuation Time: [As set out in the Condition] / [(specify other)]
- (xxxix) Quotation Method: [Bid]/[Mid]/[Ask]
- (xxxii) Quotation Amount: [●]
- (xxxiii) Cash Settlement Date: [As set out in the Conditions] / [(specify other)]
- (xxxiv) Valuation Method: [Exclude Accrued Interest/Include Accrued Interest / As set out in the Conditions (*only if Part B - 2014 ISDA Credit Derivatives Definitions apply*)]  
(for determination of Final Price)
- (xxxv) Unwind Amount [Applicable/Not Applicable]

*Terms relating to Auction Settlement:*

- (xxxvi) Fallback Settlement Method: [Cash Settlement/Physical Settlement]
- (xxxvii) Auction Settlement Amount: Auction Final Price
- (xxxviii) Business Day Convention: [Following/Modified Following/Preceding]

- (xxxix) Succession Event [Yes/No]  
 Backstop Date  
 subject to adjustment  
 in accordance with  
 Business Day  
 Convention:
- (xl) Limitation Dates [(only if Part A - 2009 ISDA Credit Derivatives Definitions  
 subject to adjustment apply) Yes/No]  
 in accordance with  
 Business Day  
 Convention:
- (xli) Hedging [Buyer/Seller/Buyer or Seller]  
 Arrangement  
 Notifying Party:
- (xlii) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal  
 to"/"less than"/"less than or equal to" Knock-in Level]]  
  
*(If not applicable, delete the remaining sub-paragraphs of  
 this paragraph)*  
  
 [In the event that a Knock-in Determination Day is a Disrupted  
 Day, [Omission/Postponement/Modified Postponement] will  
 apply.]
- (A) Knock-in [Specify]  
 Level:
- (B) Knock-in [Specify/Each Scheduled Trading Day in the Knock-in  
 Determination Period]  
 Determination Day(s):
- (C) Knock-in [Not Applicable/specify]  
 Period  
 Beginning  
 Date:
- (D) Knock-in [Not Applicable/specify]  
 Period  
 Ending Date:
- (E) Knock-in [Scheduled Closing Time]/[Any time on a Knock-in  
 Valuation Determination Day.]/[●]  
 Time:
- (xliii) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal  
 to"/"less than"/"less than or equal to" Knock-out Level]]  
  
*(If not applicable, delete the remaining sub-paragraphs of  
 this paragraph)*

[In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (A) Knock-out Level: [Specify]
  - (B) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
  - (C) Knock-out Period Beginning Date: [Not Applicable/specify]
  - (D) Knock-out Period Ending Date: [Not Applicable/specify]
  - (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xliv) Formula to be used to determine the principal due: [Credit Linked Notes Early Redeemed]/[Credit Linked Notes Redeemed at Maturity]/[Guaranteed Credit Linked Notes ]/[Leverage Basket/Index Credit Linked Notes] [Basket/Index Credit Linked Notes]/ [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [ n<sup>th</sup> to Default Credit Linked Notes Early Redeemed]/[Index tranche Credit linked Notes]/[ n<sup>th</sup> to Default Credit Linked Notes Redeemed at Maturity]
- [Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]
- (c) Equity Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Share(s): [●]
  - (ii) ISIN of Share(s): [Specify]
  - (iii) Screen Page/Exchange Code: [Specify]
  - (iv) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with



European Barrier]/ [Generic Short Call Spread] / [Lock-In] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:

*[Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*

(v) Settlement Price: The Settlement Price will be calculated *[insert calculation method]*/[As set out in the Conditions]

[Exchange Rate:[●]]

(vi) Averaging: Averaging [applies/does not apply] to the Notes.  
[The Averaging Dates are [●].]  
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]  
[Modified Postponement]

*(only applicable if Modified Postponement is applicable as an Averaging election)*

[Specified Maximum Days of Disruption will be equal to: [●]/[eight]]

*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*

(vii) Observation Date(s): [The Observation Date(s) is/are [●]/ Not Applicable.] [In the event that an Observation Date is a Disrupted Day/ [Omission/Postponement/Modified Postponement] will apply.]

(viii) Observation Period(s): [*Specify*/Not Applicable]

(ix) Exchange Business Day: [●]

(x) Scheduled Trading Day: [●]/[As per Condition 21]

(xi) Exchange(s): The relevant Exchange[s] [is/are] [●].

(xii) Related Exchange(s): [*Specify*/Each exchange or quotation system on which option contracts or futures contracts relating such Share are traded]

(xiii) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] [*N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time.*]

- (xiv) Additional Disruption Events:
- [(A)] The following Additional Disruption Events apply to the Notes:  
*(Specify each of the following which applies.)*  
 [Change of Law]  
 [Hedging Disruption]  
 [Insolvency Filing]  
 [Failure to Deliver]  
 [Increased Cost of Hedging]  
 [Increased Cost of Stock Borrow]  
 [Loss of Stock Borrow]
- [(B)] [The Trade Date is [●].  
*(N.B. only applicable if Change of Law and/or Increased Cost of Hedging is applicable)*]
- [(C)] [The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share] is [●].  
*(N.B. only applicable if Loss of Stock Borrow is applicable)*]
- [(D)] [The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [●].  
*(N.B. only applicable if Increased Cost of Stock Borrow is applicable)*]
- (xv) Market Disruption Specified Maximum Days of Disruption will be equal to [●]/[eight]:  
*(if no Specific Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to eight)*
- (xvi) Delayed Redemption on Occurrence of Extraordinary Event [Applicable/Not Applicable]  
*(if not applicable, delete the remaining sub-paragraph of this paragraph)*  
 [Rate for accrual of interest [●]/as specified in the Terms and Conditions]
- (xvii) Tender Offer [Applicable/Not Applicable]
- (xviii) Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency (delete as appropriate) Share Substitution [is applicable/is not applicable].
- (xix) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (A) Knock-in Level: [Specify]
  - (B) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
  - (C) Knock-in Period Beginning Date: [Not Applicable/specify]
  - (D) Knock-in Period Ending Date: [Not Applicable/specify]
  - (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xx) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

[In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (A) Knock-out Level: [Specify]
- (B) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/specify]
- (D) Knock-out Period Ending Date: [Not Applicable/specify]

- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xxi) Automatic Early Redemption Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] Automatic Early Redemption Price]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (A) Automatic Early Redemption Amount: [Specify/See definition in Condition 21.7]
- (B) Automatic Early Redemption Date(s): [Specify]
- (C) Automatic Early Redemption Price: [Specify]
- (D) Automatic Early Redemption Rate: [Specify]
- (E) Automatic Early Redemption Valuation Date(s): [Specify]
- (F) Automatic Early Redemption Number of Shares: [Not Applicable/specify]
- (d) Fund Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Fund/Funds: [●]
- [The [●] Fund is an ETF]<sup>10</sup>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

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<sup>10</sup>Specify each ETF (if any).

- (ii) Fund Shares:   
 [The  Fund is an ETF]<sup>11</sup>
- (iii) Weighting: [Not Applicable]/[The Weighting to be applied to each Fund Share comprising the Fund Basket is
- (iv) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with European Barrier] / [Generic Short Call Spread] / [Lock-In] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:  
*[Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (v) Additional Extraordinary Fund Event(s):   
*(Specify whether each Additional Extraordinary Fund Event is a Substitution Event or a Termination Event)*
- (vi) Basket Trigger Level:   
*(Specify whether each Additional Extraordinary Fund Event is a Substitution Event or a Termination Event)*
- (vii) Scheduled redemption Payment Date:
- (viii) Averaging: Averaging [applies/does not apply] to the Notes.  
 [The Averaging Dates are .]  
 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]  
 [Modified Postponement]  
 (only applicable if Modified Postponement is applicable as an Averaging election)  
 Specified Maximum Days of Disruption will be equal to:   
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*

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<sup>11</sup>Specify each ETF (if any).

- (ix) Coupon Valuation Date(s): [●][●]/[As per Conditions]
- (x) Valuation Date: [●]/[Not Applicable] (*only applicable to ETFs*)[●]
- (xi) Valuation Time: [●]/[Not Applicable] (*only applicable to ETFs*)[●]/[Not Applicable] (*only applicable to ETFs*)
- (xii) Consequences of Extraordinary Fund Event: [*specify*]/[As per Conditions][●]/[Not Applicable] (*only applicable to ETFs*)
- (xiii) Termination Amounts: [Delta-1 Termination Amount]/[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[*specify*]/[Not Applicable][*specify*]/[As per Conditions]
- (xiv) Delta-1 Termination Amount: [●]/[Not Applicable] [Delta-1 Termination Amount]/[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[*specify*]/[Not Applicable]
- (xv) Portfolio: [●]/[Not Applicable] [●]/[Not Applicable]
- (xvi) Protected Amount: [●]
- (xvii) Simple Interest Spread: [●][●]/[Not Applicable]
- (xviii) Termination Date: [●][●]
- (xix) Delayed Redemption on Occurrence of Extraordinary Fund Event: [Applicable]/[Not Applicable][●]
- (xx) Delayed Payment Cut-Off Date: [*specify*]/[As per Conditions][Applicable]/[Not Applicable]  
[Not Applicable/*specify*]
- (xxi) Knock-in Event: [Not Applicable/*specify*["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]  
  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
  
[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Price: [*Specify*]

- (B) Knock-in Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable/*specify*]
- (D) Knock-in Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xxii) Knock-out Event: [Not Applicable/*specify*["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Price: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/*specify*]
- (D) Knock-out Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xxiii) Automatic Early Redemption Event: [Not Applicable/*specify*["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] the Automatic Early Redemption Level]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (A) Automatic Early Redemption Date(s): [specify]
- (B) Automatic Early Redemption Amount: [specify]
- (C) Automatic Early Redemption Price: [specify]
- (D) Automatic Early Redemption Rate: [specify]
- (E) Automatic Early Redemption Valuation Date(s): [specify]
- (e) Inflation Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Indices: [●]
- (ii) Screen Page/Exchange Code: [●]
- (iii) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:
- [Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (iv) Related Bond: [[●]/Fall Back Bond]/[Not Applicable]
- (v) Index Sponsor: [●]



- (vi) Relevant Time: [●]
- (vii) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]  
 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (viii) Specified Maximum days of Disruption: [●]/[eight]  
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (ix) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable].  
 [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (x) Observation Period(s): [*specify*/Not Applicable]
- (xi) Related Bond Redemption Event: [Applicable/Not Applicable]
- (xii) Deduction of unwinding and amendment of underlying hedging arrangements Costs *(for the purposes of Index Cancellation and Change in Law)*: [Applicable/Not Applicable]
- (xiii) Knock-in Event: [Not Applicable/*specify*["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
 [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Price: [*Specify*]
- (B) Knock-in Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in: [Not Applicable/*specify*]

- Period  
Beginning  
Date:
- (D) Knock-in Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xiv) Knock-out Event: [Not Applicable/*specify*/"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Price: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/*specify*]
- (D) Knock-out Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xv) Automatic Early Redemption Event: [Not Applicable/*specify*/"greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Automatic Early Redemption Level]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (A) Automatic Early Redemption Date(s): [*specify*]

- (B) Automatic Early Redemption Amount: [specify]
- (C) Automatic Early Redemption Level: [specify]
- (D) Automatic Early Redemption Rate: [specify]
- (E) Automatic Early Redemption Valuation Date(s): [specify]
- (f) Currency Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Exchange Rate(s): [●]
- (ii) Screen page: [●]
- (iii) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (iv) Scheduled Trading Day: [●]
- (v) Specified Maximum Days of Disruption: [●]/[eight]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (vi) Relevant Time: [●]
- (vii) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable]. [In the event that an Observation Date is a Disrupted Date [Omission/Postponement/Modified Postponement] will apply.]
- (viii) Observation [specify/Not Applicable]

Period(s):

- (ix) Settlement Rate: [●]
- (x) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:
- [Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (xi) Knock-in Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-in Level]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [*Specify*]
- (B) Knock-in Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-in Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xii) Knock-out Event: [Not Applicable / *specify* /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-out Level]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified

Postponement] will apply.]

- (A) Knock-out Level: [*Specify*]
  - (B) Knock-out Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-out Determination Period]
  - (C) Knock-out Period Beginning Date: [Not Applicable / *specify*]
  - (D) Knock-out Period Ending Date: [Not Applicable / *specify*]
  - (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xiii) Automatic Early Redemption Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] the Automatic Early Redemption Level]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (A) Automatic Early Redemption Date(s): [*specify*]
- (B) Automatic Early Redemption Amount: [*specify*]
- (C) Automatic Early Redemption Level: [*specify*]
- (D) Automatic Early Redemption Rate: [*specify*]
- (E) Automatic Early Redemption Valuation Date(s): [*specify*]

- (g) Commodity Linked Redemption Amount: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Commodity/Commodities/Commodity Index: [●]
- (ii) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable]. [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (iii) Observation Period(s): [*Specify*/Not Applicable]
- (iv) Relevant Time: [●]
- (v) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]  
 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (vii) Specified Maximum Days of Disruption: [●]/[two]  
*(if no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to two) (applicable only to Price Source Disruption or Trading Disruption)*
- (viii) Disruption Fallback(s): [●]/[Not Applicable]
- (ix) Delayed Redemption on Occurrence of Market Disruption Event: [Applicable/Not Applicable]
- (x) Deadline for publication of correction of Commodity Reference Price: [●]/[As per Condition 24]
- (xi) Commodity Reference Price: [●]  
 the Price Source is/are: [●]

- (xii) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:
- [Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (xiii) Knock-in Event: [Not Applicable / *specify* /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-in Level]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [*Specify*]
- (B) Knock-in Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-in Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xiv) Knock-out Event: [Not Applicable / *specify* /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-out Level]]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (A) Knock-out Level: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-out Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xv) Automatic Early Redemption Event: [Not Applicable/*specify*/"greater than"/"greater than or equal to"/"less than"/"less than or equal to"] the Automatic Early Redemption Level]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (A) Automatic Early Redemption Date(s): [*specify*]
- (B) Automatic Early Redemption Amount: [*specify*]
- (C) Automatic Early Redemption Price: [*specify*]
- (D) Automatic Early Redemption Rate: [*specify*]
- (E) Automatic Early Redemption Valuation Date(s): [*specify*]



- (h) Bond Linked Redemption Amount: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Type of Bond Linked Notes [Single Bond Linked Notes] [Basket Bond Linked Notes]
- (ii) Trade Date: [●]
- (iii) Scheduled Maturity Date: [●]
- (iv) First Bond Event Occurrence Date: [●]
- (v) Bond(s): *[If Single Bond Linked Notes]*

Bond Issuer	Bond ISIN Code	Bond Currency	Bond Notional Amount	Maturity
[●]	[●]	[●]	[●]	[●]

*[If Basket Bond Linked Notes]*

**Reference Portfolio**

Bond Issuer	Bond ISIN Code	Bond Weighting	Bond Currency	Bond Notional Amount	Maturity	Reference Price
[●]	[●]	[●]	[●]	[●]	[●]	[●]

- (vi) Bond Currency: *[For Single Bond Linked Notes : Currency described in paragraph “Bond(s)” above]*  
*[For Basket Bond Linked Notes: The Bond Currency described in respect of the Bonds comprised in the Reference Portfolio as described in paragraph “Bond(s)” above]*
- (vii) Bond Notional Amount: *[For Single Bond Linked Notes: On the Issue Date, the Bond Notional Amount in the Bond Currency, each as described in paragraph “Bond(s)” above and thereafter as modified in accordance with the definition of “Bond Notional Amount” in the Additional provisions applicable to Bond Linked Notes.]*  
*[For Basket Bond Linked Notes: On the Issue Date, the Bond Notional Amount in the Bond Currency described in respect of the Bonds comprised in the Reference Portfolio, all as described in paragraph “Bond(s)” above and thereafter as*

modified in accordance with the definition of “Bond Notional Amount” in the Additional provisions applicable to Bond Linked Notes]

- (viii) Bond Events: [If *Single Bond Linked Notes*: The Bond Event(s) as specified below] [If *Basket Bond Linked Notes*: For each Bond comprised in the Reference Portfolio, the Bond Event(s) specified below:]
- [Bond Acceleration]
  - [Bond Default]
  - [Bond Early Redemption]
  - [Bond Governmental Intervention]
  - [Bond Issuer ISDA Event]
  - [Bond Restructuring]
  - [Bond Failure to Pay]
- (ix) Formula to be used to determine the principal due: [Bond Linked Notes Redeemed at Maturity/Guaranteed Bond Linked Notes/Basket Bond Linked Notes]
- [Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]
- (x) Terms relating to Settlement:
- (a) Bond Final Value: [Fixed Recovery: [Insert the percentage] per cent.]
- [Floating Recovery: For each Bond, the percentage determined by the Calculation Agent as follows:
- (i) the Bond Final Price;
  - (ii) plus, if any, any partial or total repayment in cash of the Bond which would have been paid to the holders of the Bond under the Bond as of the Bond Final Value Determination Date as determined by the Calculation Agent, expressed as a percentage of the Bond Notional Amount;
  - (iii) plus, if any, the price (expressed as a percentage of the Bond Notional Amount), calculated using a method similar to that to determine the Bond Final Price, of any securities which would have been delivered to the holders of the Bond under the Bond as of the Bond Final Value Determination Date as determined by the Calculation Agent;

- (iv) minus the Valuation Hedging Cost;
- (v) minus any amount due and payable under the Bond in accordance with the terms and conditions of the Bond as in force and effect as of the Issue Date (expressed as a percentage of the Bond Notional Amount) which is still unpaid at the Bond Final Value Determination Date, as determined by the Calculation Agent.

[The Bond Final Value is subject to a minimum of zero per cent. and to a maximum of 100 per cent.] [The Bond Final Value is subject to a minimum of zero per cent. and may be higher than one hundred per cent. (100%).]

- (b) Auction Period for the purposes of the Bond Final Price determination: [Specify number] consecutive Business Days (as defined in paragraph (xiv) below)
- (c) Bond Final Price Accrued Interest: [*In the case of Fixed Recovery:* Not Applicable] [*In the case of Floating Recovery:* [Excluding Accrued Interest] [Including Accrued Interest]]
- (d) Breakage Cost Amount: [Not Applicable: the Breakage Cost Amount will be equal to zero] [Applicable: means an amount determined by the Calculation Agent expressed in the Specified Currency of the Notes using the Relevant Spot Exchange Rate on the relevant calculation date(s), as determined by the Calculation Agent, equal to the fees, costs and expenses arising directly or indirectly, in connection with (i) terminating, unwinding, realizing or enforcing any repurchase transaction (if any) with the Bond as underlying asset, the purpose of which is to refinance the relevant Bond and (ii) entering into, trading or increasing any repurchase transaction (or any transaction with similar purposes) with the Collateral Assets as underlying asset, the purpose of which is to refinance the Collateral Assets. For the avoidance of doubt, the Breakage Cost Amount may be a positive amount (if to be received by the issuer or any of its Affiliates) or a negative amount (if to be paid by the Issuer or any of its Affiliates)]
- (e) Relevant Proportion: [Specify as per Condition 26.2]  
[Not Applicable] [Applicable]
- (xi) Provisions relating to Basket Bond Linked Notes [If (xi) Not Applicable, delete] [Specify as per Condition 26.2]

the remaining subparagraphs]

- (a) Aggregate Loss Amount: [Specify as per Condition 26.2]
- (b) Loss Amount: [Specify for the purposes of Condition 26.2]
- (c) Reference Portfolio Notional Amount: [Specify for the purposes of Condition 26.2] [For each Bond comprised in the Reference Portfolio: the percentage specified as such in paragraph “Bond(s)” below]
- (d) Reference Price: [●]
- (e) Bond Weighting: [Specify for the purposes of Condition 26.2] [For each Bond comprised in the Reference Portfolio: the proportion specified as such in paragraph “Bond(s)” below]
- (f) Interest Recovery Rate: [Fixed interest Recovery with an Interest Recovery Rate of *[Insert the percentage]* per cent.] [Floating Interest Recovery] [Not Applicable. The Notes do not bear interest.] [Not Applicable. The sub-paragraph “Accrual of Interest upon Bond Event” is specified as “Guaranteed Coupon”]
- (xii) Accrual of Interest upon Bond Event: [No Accrued Interest upon Bond Event] [Accrued Interest upon Bond Event] [Guaranteed Coupon] [*If no coupon*: Not relevant. The Notes do not bear interest]
- (xiii) Notice of Publicly Available Information: [Applicable/Not Applicable]
- (xiv) Business Days (for the purposes of the Additional provisions applicable to Bond Linked Notes): [Specify for the purposes of Condition 26.2]
- (xv) Default Requirement: [Applicable/Not Applicable]  
[Specify]  
*(If not specified, Default Requirement will be USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).*
- (xvi) Other applicable options as per the Additional provisions applicable to Bond [Not Applicable] [*Specify the source of Publicly Available Information which must be used when the Public Source is different from the sources specified in the Additional provisions applicable to Bond Linked Notes*] [*Specify the*

- Linked Notes: *Specified Number if such number is different from the Specified Number anticipated in the Additional provisions applicable to Bond Linked Notes] [Specify the number of Business Days which must be used in relation to the definition of First Quotation Day if such number is different from the number anticipated in the Additional provisions applicable to Bond Linked Notes]*
- (xvii) Knock-in Event: [Not Applicable/specify/[“greater than”/“greater than or equal to”/“less than”/less than or equal to” Knock-in Level]]
- (If not applicable, deleted the remaining sub-paragraph of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [Specify]
- (B) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable/specify]
- (D) Knock-in Period Ending Date: [Not Applicable/specify]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.] [●]
- (xviii) Knock-out Event: [Not Applicable/specify/[“greater than”/“greater than or equal to”/“less than”/less than or equal to” Knock-out Level]]
- (If not applicable, deleted the remaining sub-paragraph of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Level: [Specify]
- (B) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]

- n Day(s): [Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/specify]
- (D) Knock-out Period Ending Date: [Not Applicable/specify]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.] [●]
- (i) Rate Linked Redemption Amount: [Applicable/Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Manner in which the Underlying Rate is to be determined: [Screen Rate Determination/ISDA Determination/FBF Determination]
- (ii) Screen Rate Determination [Applicable/Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this sub-paragraph 32(i)(ii))*
- Relevant Financial Centre: [The financial centre most closely connected to the Reference Rate]
- Reference Rate(s): [specify relevant rate(s)]
- Relevant Screen Page: [●]
- (iii) ISDA Determination: [Applicable/Not Applicable]  
*(If Not Applicable, delete the remaining sub-paragraphs of this sub-paragraph 32(i)(iii))*
- Floating Rate Option: [specify]
- Designated Maturity: [specify]
- Reset Date: [●]
- (iv) FBF Determination: [Applicable/Not Applicable]

*(If Not Applicable, delete the remaining sub-paragraphs of this sub-paragraph 32(i)(iv))*

- Floating Rate:
- FBF Definitions: (if different from those set out in the Conditions):
- (v) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are .]  
  
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Observation Date(s): [The Observation Date(s) is/are /Not Applicable].] [In the event that an Observation Date is a Disrupted Date [Omission/Postponement/Modified Postponement] will apply.]
- (vii) Observation Period(s): [*specify*/Not Applicable]
- (viii) Rate Determination Date(s) /[Not Applicable]
- (ix) Relevant Time:
- (x) Scheduled Trading Day:
- (xi) Specified Maximum Days of Disruption: /[eight]  
  
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (xii) Trade Date:
- (xiii) Valuation Date:
- (xiv) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:

*[Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*

- (xv) - Knock-in Event: [Not Applicable / *specify* /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-in Level]]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph 32(i)(xv))*

[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (A) Knock-in Level: [*Specify*]
- (B) Knock-in Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-in Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]

- (xvi) Knock-out Event: [Not Applicable / *specify* /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-out Level]]

*(If not applicable, delete the remaining sub-paragraphs of this sub-paragraph 32(i)(xvi))*

[In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]

- (A) Knock-out Level: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out [Not Applicable / *specify*]



- Period  
Beginning  
Date:
- (D) Knock-out Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.][●]
- (xvii) Automatic Early Redemption Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] the Automatic Early Redemption Level]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph 32(i)(xvii))*
- (A) Automatic Early Redemption Date(s): [*specify*]
- (B) Automatic Early Redemption Amount: [*specify*]
- (C) Automatic Early Redemption Level: [*specify*]
- (D) Automatic Early Redemption Rate: [*specify*]
- (E) Automatic Early Redemption Valuation Date(s): [*specify*]

**34. Early Redemption Amount**

- (a) Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default: [[●] per Calculation Amount] / [Fair Market Value]

(b) Early Redemption Unwind Costs [Applicable/Not Applicable]

*[If Applicable:*

Standard Early Redemption Unwind Costs/*insert other]*

**35. Provisions applicable to Physical Delivery:** [Applicable/Not Applicable]

*(if not applicable, delete the remaining sub-paragraphs of this paragraph)*

[(a) Entitlement in relation to each Note: Entitlement in relation to each Note is *[Specify]*

[(b) Relevant Asset(s): [As specified above]/The relevant asset[s] to which the Notes relate [is/are] *[specify]*.

[(c) Settlement Business Day(s): *[Specify]*

**36. Variation of Settlement:**

(a) Issuer's option to vary settlement The Issuer [has/does not have] the option to vary settlement in respect of the Notes.

(b) Variation of Settlement of Physical Delivery Notes: [Notwithstanding the fact that the Notes are Physical Delivery Notes, the Issuer may make payment of the Redemption Amount on the Maturity Date and the provisions of Condition [5.7(b) of the English Law Notes]/[8.2 of the French Law Notes] will apply to the Notes./The Issuer will procure delivery of the Entitlement in respect of the Notes and the provisions of Condition [5.7(b) of the English Law Notes]/[8.2 of the French Law Notes] will not apply to the Notes.]

**37. Form of Notes:**

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes upon an Exchange Event]

[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]]

[Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes upon an Exchange Event]

[Bearer dematerialised form (*au porteur*)/[fully/administered] Registered dematerialised form (*au nominatif [pur/administré]*)]<sup>12</sup>

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<sup>12</sup> Insert as applicable where the Notes are French Law Notes.

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*

- |  |   |
|--|---|
| Name and address of Registration Agent: <sup>13</sup>  | [Not Applicable]/[●]  |
| New Global Note: <sup>14</sup>   | [Yes/No]  |
| <b>38. Additional Financial Centre(s):</b>   | [Not Applicable/give details] <i>(Note that this paragraph relates to the place of payment)</i>   |
| <b>39. Talons for future Coupons or Receipts to be attached to definitive Notes:</b>                                     | [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, an exchange into definitive form, more than 27 coupon payments are still to be made / No]  |
| <b>40. Provisions relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:</b> | [Not Applicable/Applicable]<br><i>(if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>  |
| [(a) Instalment Amount(s):   | [●]   |
| (b) Instalment Date(s):  | [●]]  |
| <b>41. Redenomination provisions:</b>  | [Not Applicable/The provisions in Condition [3 of the English Law Notes]/[5 of the French Law Notes] apply]   |
| <b>42. Any applicable currency disruption<sup>15</sup>:</b>  | [Not Applicable/As per Condition [5.8 of the English Law Notes]/[7.6 of the French Law Notes]<br><br>[Alternate Settlement Currency: [●]]<br><br>[Offshore CNY Centre: [●]] |
| <b>43. Masse (Condition [15] of the Terms and Conditions of the French Law Notes)<sup>16</sup>:</b>                      | Issue outside France: [Applicable/Not Applicable]<br><br>[Name and address of the Representative: [●]]<br><br>Name and address of the alternative Representative: [●]       |

<sup>13</sup> In relation to French Law Registered Notes only.

<sup>14</sup> You should only elect "yes" opposite "New Global Note" if you have elected "yes" to the Section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".

<sup>15</sup> RMB Notes only.

<sup>16</sup> Applicable for French Law Notes only.

[The Representative will receive no remuneration./The Representative will receive a remuneration of [●].] /

[As long as the Notes are held by a single Noteholder, and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de commerce*. A Representative shall be appointed as soon as the Notes of a Series are held by more than one Noteholder.]

**44. Governing law:** [English law] / [French law]

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

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
Duly authorised

## PART B - OTHER INFORMATION

### 1. Listing and Admission to Trading

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listing on the official list of the Luxembourg Stock Exchange with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Luxembourg Stock Exchange's regulated market with effect from [ ].] / [specify other regulated market]/ [Not Applicable.]

### 2. Ratings

[Not Applicable]/[The Notes to be issued [have been][are expected to be] rated [●] by [S&P Global Ratings Europe Limited/Moody's Investors Service Ltd/Fitch Ratings Limited and insert associated defined terms]. Each such credit rating agency is established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**). [As such, each of [the rating agencies] is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. *Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

### 3. Notification

[The *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*] the competent authorities of France, Germany and United Kingdom with a certificate of approval attesting that the Base Prospectus [and the supplement(s)] [has]/[have] been drawn up in accordance with the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg.]/[Not Applicable]

### 4. Interests of Natural and Legal Persons Involved in the Issue

*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

[Not Applicable]/[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue or offer of the Notes has an interest material to the issue or offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

### 5. Reasons for the Offer[, Estimated Net Proceeds and Total Expenses]<sup>17</sup>

(a) Reasons for the offer: [[●]/[Not Applicable]]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

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<sup>17</sup> If the Notes are derivatives securities to which Annex XII of the Prospectus Regulation applies, disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

(b) [Estimated net proceeds: [●]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(c) Estimated total expenses: [●] [Include breakdown of expenses]]

*(N.B.: if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (a), disclosure of such net proceeds and total expenses at (b) and (c) above are also required.)*

## 6. **Fixed Rate Notes only – Yield**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub- paragraph of this paragraph)*

Indication of yield: [●]

## 7. **Floating Rate Notes only- Historic Interest Rates**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub- paragraph of this paragraph)*

[Details of historic [LIBOR/EURIBOR/CMS/EONIA/TEC] rates can be obtained from [Reuters].]

## 8. **Performance of Index/ Reference Entity/ Credit Index/ Equity/ Exchange Rate/ Commodity/ Fund / Interest Rate, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*

*[Need to include details of where past and future performance and volatility of the index /reference entity/credit index/equity/inflation/exchange rate/commodity/fund can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

[Name of the Issuer of the underlying security: [●]

ISIN Code of the underlying: [●]

Index Name: [●]

- Underlying Interest Rate:
- Exercise price or final reference price of the underlying:
- Relevant weightings of each underlying on the basket:
- Source of information relating to the [index/indices]:
- Place where information to the [index/indices] can be obtained:
- Expiration/Maturity date of derivative securities
- Exercise date or final reference date

*(Where the underlying is not an index need to include equivalent information. Where the underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the underlying is a basket of underlying, need to include the relevant weightings of each underlying in the basket.)*

## 9. Underlying Disclaimer<sup>18</sup>

[For use in connection with credit index and Indices (including Inflation Indices)]

[Not Applicable]

[The issue of this series of Notes (in this paragraph, the **Transaction**) is not sponsored, endorsed, sold, or promoted by [NAME OF INDEX] (the **Index**) or [NAME OF INDEX SPONSOR] (the **Index Sponsor**) and the Index Sponsor [makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

## 10. Operational Information

- (a) ISIN Code:

<sup>18</sup> Include for Index Notes (including Inflation Linked Notes).

- (b) Common Code: [     ]
- (c) Any clearing system(s) other than [Euroclear France]<sup>19</sup>, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]
- (d) Deemed delivery of clearing system notices for the purposes of Condition [13 of the English Law Notes]/[14 of the French Law Notes]: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to [Euroclear and Clearstream, Luxembourg] (for English Law Notes)/[Euroclear France (for French Law Notes)].
- (e) Delivery: Delivery [against/free of] payment
- (f) Names and addresses of additional Paying Agent(s) (if any): [     ] [Not Applicable]
- (g) Calculation Agent: [     ] [Not Applicable]
- (h) Intended to be held in a manner which would allow Euro system eligibility<sup>20</sup>: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /  
  
[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at anytime during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]<sup>21</sup>

<sup>19</sup> In relation to French Law Notes only.

<sup>20</sup> See Part A - "Form of Notes - New Global Note".

<sup>21</sup> Not applicable to French Law Notes.



## 11. Distribution

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (c) Date of [Subscription] Agreement: [ ]
- (d) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (e) If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
- (f) Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
- (g) U.S. Selling Restrictions: [TEFRA D/TEFRA C/TEFRA not applicable]
- (h) United States Tax Considerations: [The Notes are [not] Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. *(Include the following wording if the Notes are Specified Notes)*[Additional information regarding the application of Section 871(m) to the Notes will be available from [give name(s) and address(es) of Issuer contact].)] /

[As at the date of these Final Terms, the Issuer has not determined whether the Notes are Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986; however, indicatively it considers that they will [not] be Specified Notes for these purposes. This is indicative information only subject to change and if the Issuer's final determination is different then it will give notice of such determination. Please contact [name(s) and address(es) of Issuer contact] for further information regarding the application of Section 871(m) to the Notes.]<sup>22</sup> *(The Notes will not be Specified Notes if they (i) are issued prior to 1 January 2021 and are not "delta-one" for U.S. tax purposes or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise*

<sup>22</sup> This formulation to be used if the Issuer has not made a determination regarding whether the Notes are Specified Securities as of the date of the Final Terms.

*provide direct or indirect exposure to U.S. equities. If the Notes reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities and (i) are issued prior to January 1, 2021 and provide a return that does not differ significantly from the return on an investment in the underlying, or (ii) are issued on or after January 1, 2021, further analysis would be required.)]*

(i) Public Offer:

[Not Applicable (if not applicable, delete the remaining sub-paragraphs of this paragraph)]  
[An offer of the Notes may be made by the Managers [, [insert names of financial intermediaries receiving consent (specific consent)] (the **Initial Authorised Offerors**)] [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Prospectus in connection with the Public Offer as an Authorised Offeror] (together, being persons to whom the issuer has given consent, the **Authorised Offerors**) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) among France, Luxembourg, Germany or United Kingdom] (the **Public Offer Jurisdictions**) during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [●] Business Days thereafter"] (the **Offer Period**).

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a public offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Public offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*

[Terms and Conditions of the Public Offer]

The time period, including any possible amendments, during which the offer will be open and description of the application process:

[●] to [●]

*(Should be from the date of publication of the Final Terms to a specified date or formula such as "the Issue Date" or "the date which falls [●] Business Days hereafter".)*

Total Amount of the Offer:

*[insert total amount if fixed][insert a description of arrangements for determining the definitive*

	<i>amount of the Offer]</i>
Offer Price:	Not applicable]/[specify: indicate the offer price as determined by the Issuer and the relevant Managers in accordance with the prevailing market conditions on or about the Issue Date.]
Conditions to which the offer is subject:	[Offer of the Notes are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Financial Intermediaries, notified to Investors by such Financial Intermediaries]]
Offer Period:	See paragraph 11(i) above
[Description of the application process:	<i>N/A unless full application process is being followed in relation to this issue]</i>
Details of the minimum and/or maximum amount of application: <sup>23</sup>	<i>N/A unless full application process is being followed in relation to this issue]</i>
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by the applicants:	<i>N/A unless full application process is being followed in relation to this issue]</i>
Details of the method and time limits for paying up and delivering the Notes:	[The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Financial Intermediary of their allocation of Notes and the settlement arrangement in respect thereof.]
Manner and date in which results of the offer are to be made public:	[The results of the offer will be disclosed to the public in [specify the relevant website(s), newspaper(s), office(s) and/or clearing system(s)] on [specify date].]
[Procedure for exercise of any right of pre-emption, negotiability and subscription rights and treatment of the subscription rights not exercised:	<i>N/A unless full application process is being followed in relation to this issue.]</i>
Whether tranche(s) have been reserved for certain countries:	[Not applicable]/[specify: if the offer is being made simultaneously in the markets of two or more countries and if a tranche has been reserved for certain of these, indicate any such tranche.]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	<i>[Process for notification – N/A unless full application process is being followed to the issue.]</i>

<sup>23</sup> Whether in number of securities or aggregate amount to invest.

No dealing in the Notes on a regulated market for the purposes of the MiFID Directive 2014/65/EU may take place prior to the Issue Date]

[Amount of any expenses and taxes specifically charged to the subscriber or purchaser [ ]]

- (j) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

*(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*

- (k) EU Benchmark Regulation: Article 29(2) statement on benchmarks: [Not Applicable]

[Applicable: Amounts payable under the Notes are calculated by reference to *[insert name[s] of benchmark(s)]*, which [is/are] provided by *[insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark]*.

[As at the date of the Base Prospectus, *[insert name[s] of the administrator[s]]* [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).]

## 12. Placing and Underwriting<sup>24</sup>

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*

- (a) Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: [●]/Not Applicable.
- (b) Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): [●]

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<sup>24</sup> Required for derivative securities.

- |     |  |  |
|-----|--|--|
| (c) | Consent of the Issuer to use the Prospectus during the Offer Period:   | [Not Applicable / Applicable with respect to any Authorised Offeror specified below]   |
| (d) | Authorised Offeror(s) in the various countries where the offer takes place:  | [Not Applicable / Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Issuer to use the Prospectus"]            |
| (e) | Conditions attached to the consent of the Issuer to use the Prospectus:  | [Not Applicable / <i>Where the Issuer has given a general consent to any financial intermediary to use the Prospectus, specify any additional conditions to or any condition replacing those set out on page [●] of the Base Prospectus or indicate "See conditions set out in the Base Prospectus".</i> ] |
| (f) | Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements: <sup>25</sup> | [●]  |
| (g) | When the underwriting agreement has been or will be reached:   | [●]  |

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<sup>25</sup> Where not all of the issue is underwritten, a statement of the portion not covered.

**ANNEX 1**

**SUMMARY**

***(ISSUER TO ANNEX SUMMARY TO THE FINAL TERMS HAVING COMPLETED THE RELEVANT ELEMENTS (I.E. [●] TO [●] IN ACCORDANCE WITH THE SPECIFIC CONDITIONS OF THE NOTES)***

**ANNEX 2**

**ANNEX FOR CREDIT LINKED NOTES**

*(Insert the following table if “Type of Notes” is “Credit Linked” and there is more than one Reference Entity, and add as many lines as necessary)*

<b>Reference Entities</b>	<b>Reference Obligation</b>	<b>Transaction Type</b>
[[●] or any Successor thereto]	<p>[(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) [●]/Not Applicable] /</p> <p>[(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Standard Reference Obligation: [Applicable: [Seniority Level: Senior Level / Subordinated Level / As set out in the Conditions] / Not applicable: specify the Non-Standard Reference Obligation]</p>	[specify]
[...]	[...]	[...]

**FORM OF FINAL TERMS**  
**NOTES WITH A DENOMINATION OF €100,000 OR MORE**  
**(OR ITS EQUIVALENT IN ANY OTHER CURRENCY)**

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes which have a denomination of €100,000 or more (or its equivalent in any other currency) issued under the Programme*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**OR**

**[MIFID II product governance / Retail investors, professional investors and ECPs** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; ***EITHER*** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

**[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)** - In connection with Section 309B of the SFA and the



Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>26</sup>

*Final Terms dated [●]*

[add logo if listed]

**CREDIT INDUSTRIEL ET COMMERCIAL**

**Legal entity identifier (LEI): N4JDFKKH2FTD8RKFXO39**

**€ 8,000,000,000**

*Structured Euro Medium Term Note Programme*

*(the Programme)*

*Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the Programme*

## **PART A - CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled ["Terms and Conditions of the English Law Notes"] / ["Terms and Conditions of the French Law Notes"] and the section entitled "Technical Annex" in the Base Prospectus dated 26 June 2019 [and the Supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Directive 2003/71/EC, as amended or superseded (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been and the Final Terms will be published on the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu).]

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth under the section entitled "Terms and Conditions of the English Law Notes" in the Base Prospectus dated [21 November 2007/12 December 2008/11 December 2009/21 January 2011/20 January 2012/18 January 2013/25 September 2013/24 September 2014/2 July 2015/28 June 2016/22 June 2017/28 June 2018] which is incorporated by reference in the Base Prospectus dated 26 June 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC, as amended or superseded (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 26 June 2019 [and the Supplement[s] to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses. The Base Prospectus has been and the Final Terms will be published on the Luxembourg Stock Exchange website [www.bourse.lu](http://www.bourse.lu).]

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<sup>26</sup> To be included if Notes are offered in Singapore and if the product classification is different from that specified on the cover page of the Base Prospectus

*(Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.)*

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency]

1. (a) Series Number: [●]
- (b) Tranche Number: [●]
- (c) Date on which the Notes will be consolidated and form a single series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]]/[Not Applicable]
2. Specified Currency<sup>27</sup>: [●]
3. Aggregate Nominal Amount:
  - (a) Series: [●]
  - (b) Tranche: [●]
4. Issue Price of Tranche: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only if applicable*)]
5. (a) Specified Denomination(s) [●]
 

*(In respect of French Law Notes, there shall be one denomination only.)*

*(NB: Notes must have a minimum denomination of EUR100,000 (or equivalent))*
- (b) Calculation Amount: [●]
 

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

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<sup>27</sup> Please note that with respect to domestic issues of French Law Notes settled from an Issuer account situated in France, payment relating to French Law Notes shall be made in euros (in accordance with Article 1343-3 of the French *Code Civil*).

6. (a) Issue Date: [●]
- (b) Interest Commencement Date (if different from the Issue Date): [●]
7. Maturity Date: *[If Fixed Rate, specify date – If Floating Rate: Interest Payment Date falling in or nearest to [specify date]]*
8. Type of Notes:
- (a) [Fixed Rate/Floating Rate/Fixed to Floating Rate/Fixed to Structured Rate/Floating-to-Structured Rate/Zero Coupon/Zero Coupon to Structured Rate/Credit Linked/Index Linked/Equity Linked/Inflation Linked/Currency Linked/Commodity Linked/Fund Linked/Bond Linked/Rate Linked/Combined]
- (b) The Notes relate to *[describe the relevant Underlying Reference(s)]*.
9. Interest Basis:
- [Fixed Rate Coupon equal to [●] per cent. Fixed Rate per annum/[●] per cent. of Specified Denomination ]/  
[Floating Rate Coupon equal to LIBOR/EURIBOR/CMS/EONIA/CPTFEMU/TEC] +/- [●] per cent. per annum]/
- [Fixed to Floating Coupon: Fixed Rate Coupon equal to [●] per cent. Fixed Rate per annum/[●] per cent. of Specified Denomination/ Floating Rate Coupon equal to [LIBOR/EURIBOR/CMS/EONIA/CPTFEMU/TEC] +/- [●] per cent. per annum]
- [Zero Coupon]/
- [Fixed to Structured Coupon: [Floating Rate Coupon equal to LIBOR/EURIBOR/CMS/EONIA/CPTFEMU/TEC] +/- [●] per cent. per annum] to [[Participative Coupon]/[Internal Rate of Return Coupon]] /
- [Floating to Structured Coupon: [Fixed Rate Coupon equal to [●] per cent. Fixed Rate per annum/[●] per cent. of Specified Denomination] to [[Participative Coupon]/[Internal Rate of Return Coupon]] /
- [Zero Coupon to Structured Coupon: Zero Coupon to [[Participative Coupon]/[Internal Rate of Return Coupon]] /
- [Combined Coupon: *(specify)*]/
- [Participative Coupon]/
- [Internal Rate of Return Coupon]/

[Not Applicable: The Notes do not bear any interest]

(see paragraph[s] [14][15][16][17][18][19][20][21][22][23][24] below)

- 10.** Redemption/[Payment Basis]:
- [*Redemption at a fixed level*: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [*at least 100*] per cent. of their nominal amount.]  
[Credit Linked Redemption]  
[Index Linked Redemption]  
[Equity Linked Redemption]  
[Inflation Linked Redemption]  
[Currency Linked Redemption]  
[Commodity Linked Redemption]  
[Fund Linked Redemption]  
[Bond Linked Redemption]  
[Rate Linked Redemption]
- (N.B. If the Final Redemption Amount is lower than 100 per cent. of the nominal value *or where the redemption amount depends on an underlying*, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- 11.** Change of Interest Basis:
- [Specify details of any provision for change of Notes into another Interest Basis or cross refer paragraphs [14] and [15] below if details are included there] / [Not Applicable]
- 12.** Put/Call Options:
- [Investor Put]  
[Issuer Call]  
[Not Applicable]  
[(see paragraph[s] [30] [and] [31] below)]
- 13.** Date of Board approval for issuance of the Notes:
- The issue of the Notes has been authorised by a resolution of the Issuer's *Conseil d'Administration* (Board of Directors) dated [●]

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

- 14.** Fixed Rate Note Provisions
- [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)
- [Subject to the provisions of item [17][18][19][20][21][22][23][24]]

*(insert in the case of Index Linked, Credit Linked, Equity Linked, Inflation Linked, Currency Linked, Commodity Linked, Fund Linked or Bond Linked Notes which bear interest)*

- (a) Fixed Rate[(s)] of Interest: [●] per cent. per annum payable in [arrear/advance] on each Interest Payment Date
- [●] per cent. of Specified Denomination payable in [arrear/advance] on each Interest Payment Date
- (b) Interest Payment Date(s): [[insert date] up to and including the Maturity Date]/[●]
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount/[●]
- (d) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/ [Not applicable]
- [Insert particulars of any Initial or Final Broken Amounts of interest which do not correspond with the Fixed Coupon Amount(s)]*
- (e) Determination Date(s): [[●] [in each year]]/ [Not Applicable]
- (Only relevant where Day Count Fraction is Actual / Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
- (f) [Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent)<sup>28</sup>] [[●]/Not Applicable]

**15. Floating Rate Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

[Subject to the provisions of item [17][18][19][20][21][22][23][24]]

*(insert in the case of Index Linked, Credit Linked, Equity Linked, Inflation Linked, Currency Linked, Commodity Linked, Fund Linked or Bond Linked Notes which bear interest)*

- (a) Interest Period(s): [insert period(s)]
- (b) Interest Payment Date(s): [insert date(s)]

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<sup>28</sup> RMB Rate Calculation Agent must be specified for RMB Notes.

- (c) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/FBF Determination]
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●]/[Not Applicable]
- (e) Screen Rate Determination:
- Reference Rate and Relevant Financial Centre: Reference Rate [            ] month [LIBOR/EURIBOR/CMS/EONIA/TEC/ (inflation) CPTFEMU [x Leverage]].  
[London/Brussels/specify other Relevant Financial Centre]
  - Interest Determination Date(s): [●]
  - Specified Time: [●] (which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR)
  - Relevant Screen Page: [●]  
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
  - Leverage: [●]
- (f) ISDA Determination:
- Floating Rate Option: [●][x Leverage]
  - Designated Maturity: [●]
  - Reset Date: [●]  
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
  - Leverage: [●]
- (g) FBF Determination:
- Floating Rate: [●]
  - Floating Rate Determination Date: [●]

	– FBF Definitions: (if different from those set out in the Conditions):	[●]
	– [Leverage:	[●]]
(h)	Margin(s):	[+/-][●] per cent. per annum
(i)	Minimum Rate of Interest:	[[●] per cent. per annum [if the Floating Rate + Margin is [lower than/greater than or equal to][●] per cent. per annum][specify other applicable condition from the Technical Annex if any] / Not Applicable]
		<i>(Amend appropriately in the case of irregular coupons)</i>
(j)	Maximum Rate of Interest:	[[●] per cent. per annum [specify applicable condition from the Technical Annex if any] / Not Applicable]
		<i>(Amend appropriately in the case of irregular coupons)</i>
(k)	Benchmark Replacement:	[Applicable/Not Applicable]
<b>16.</b>	<b>Zero Coupon Provisions</b>	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a)	Accrual Yield:	[●] per cent. per annum
(b)	Reference Price:	[●]
		<i>(Consider applicable Day Count Fraction if euro denominated)</i>
(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
<b>17.</b>	<b>Index Linked Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a)	Index/Indices:	[●]
(b)	Screen Page:	<i>[Specify if applicable, or give the sources of observation for each index]</i>
(c)	Component Transactions:	[●]
(d)	Formula to be used to determine the Index Linked Interest Amount:	[Fixed Rate / Floating Rate / Fixed to Structured Rate/ Floating to Structured Rate/ Zero Coupon to Structured Rate/ Combined / Participative Coupon / Internal Rate]

of Return Coupon]

*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*

- (e) Valuation Method: The Valuation Method shall be *[insert calculation method]*/[As set out in the Conditions]
- N/B: If as set out in the conditions, specify: [Highest]/[Average Highest]/[Market Value]/[NA]*
- (f) Quotation Method: The Quotation Method shall be [Bid] / [Mid] / [Ask] / [NA]
- (g) Quotation Amount: The Quotation Amount shall be [●]/[As set out in the Conditions] / [NA]
- (h) Averaging: Averaging [applies/does not apply] to the Notes.
- [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- [Modified Postponement]
- (only applicable if Modified Postponement is applicable as an Averaging election)*
- [Specified Maximum Days of Disruption will be equal to: [●]/[eight]]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (i) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable]. [In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] will apply.]
- (j) Observation Period(s): *[Specify/Not Applicable]*
- (k) Exchange Business Day: [●]
- (l) Scheduled Trading Day: [●]/[As per Condition 20]
- (m) Exchange(s) and Index Sponsor: (A) The relevant Exchange[s] [is/are] [●] and  
(B) the relevant Index Sponsor is [●].
- (n) Related Exchange: *[Specify/Each exchange or quotation system on which option contracts or futures contracts relating such*



Index is traded]

- (o) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period].] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] *(N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).*

**18. Credit Linked Notes Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

[Part A – 2009 ISDA Credit Derivatives Definitions] / [Part B – 2014 ISDA Credit Derivatives Definitions] shall apply.

- (a) Interest payment condition: [Conditional upon the [occurrence/non-occurrence] of a Credit Event on the [Reference Entity(ies)/Reference Obligation(s)] during the Reference Period]/[Not Applicable]
- (b) Formula to be used to determine the Credit Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]
- [Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (c) Reference Period: The period commencing at or after 12.01 a.m., Greenwich Mean Time (GMT) on (and including) [specify date] and ending at or prior to 11.59 p.m., GMT on (and including, subject as provided below) the Scheduled Termination Date. *[if other period applicable, delete previous sentence and insert applicable provisions]*
- (d) Trade Date: [●]
- (e) Transaction Type: [specify]
- (f) Scheduled Termination Date: [Maturity Date unless otherwise specified]
- (g) Reference Entity(ies): [[●] and any Successor/ Not Applicable/*(if there is more than one Reference Entity)* The Reference Entities specified in Annex 1 hereto (or any Successor thereto)]
- (h) Reference Obligation(s): *[(only if Part A – 2009 ISDA Credit Derivatives*

Definitions apply) [●]/Not Applicable]

[(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Standard Reference Obligation: [Applicable: [Seniority Level: Senior Level / Subordinated Level / As set out in the Conditions] / Not applicable: specify the Non-Standard Reference Obligation]

[(if there is more than one Reference Entity) For each Reference Entity, the Reference Obligation(s) specified in Annex 1 hereto]

- (i) Reference Obligation Notional Amount: [[●]/Not Applicable]
- (j) Credit index: [[●] (specify the name of the credit index, the name of the sponsor of the credit index, the index roll (if applicable) and the weighting of each underlying of the credit index) /Not Applicable]
- (k) Index tranche: [●]/[Not Applicable] (If applicable, specify the tranche)
- (l) Issuer(s)<sup>1</sup>: [[●]/Not Applicable]
- (m) Guarantor(s): [[●]/Not Applicable]
- (n) All Guarantees: [Applicable/Not Applicable]

[(only if Part A – 2009 ISDA Credit Derivatives Definitions apply): Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]]

- (o) Obligation:

Obligation Category: [Payment]  
[Borrowed Money]  
[Reference Obligations Only]  
[Bond]  
[Loan]  
[Bond or Loan]

Obligation Characteristics: [Not Subordinated]  
[Not Sovereign Lender]  
[Specified currency]  
[Not Domestic Currency]  
[Not Domestic Law]  
[Listed]  
[Not Domestic Issuance]

- Excluded Obligations: [None][*specify*]
- (p) Grace Period: [The number of days equal to the grace period with respect to payments in accordance with the terms of, and under, the relevant Obligation, and, if no grace period is applicable, zero./*insert maximum number of days*]
- (q) Grace Period Extension: [Applicable]/[Not Applicable]
- (r) Maturity Date Extension: [Applicable]/[Not Applicable]
- (s) Credit Events: [Bankruptcy]  
[Failure to Pay]  
[Loss Event]  
[Obligation Acceleration]  
[Obligation Default]  
[Rating Downgrade]  
[Repudiation/Moratorium]  
[(*only if Part B – 2014 ISDA Credit Derivatives Definitions apply*) Governmental Intervention]  
[Restructuring:  
[Multiple Holder Obligation: Applicable]  
[(*only if Part A – 2009 ISDA Credit Derivatives Definitions apply*) Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable]  
[(*only if Part A – 2009 ISDA Credit Derivatives Definitions apply*) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable]  
[(*only if Part B – 2014 ISDA Credit Derivatives Definitions apply*) Mod R: Applicable]  
[(*only if Part B – 2014 ISDA Credit Derivatives Definitions apply*) Mod Mod R: Applicable]
- (t) Payment Requirement: [Applicable/Not Applicable]  
  
[*Specify*]  
  
[*If not specified, Payment Requirement will be USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable.*]
- (u) Default Requirement: [Applicable/Not Applicable]  
  
[*Specify*]  
  
[*If not specified, Default Requirement will be USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.*]

- (v) Fallback provisions: [Applicable : *[Specify the fallback provisions of the relevant underlying hedging agreement entered into by the Issuer / In accordance with Condition 19.19]*/Not Applicable  
*(Only applicable for a credit index or an index tranche)*
- (w) [Financial Reference Entity Terms *(only if Part B – 2014 ISDA Credit Derivatives Definitions apply)*]: [Applicable/Not Applicable]/*[(If there is more than one Reference Entity) According to the Transaction Type specified in Annex 1 hereto: Applicable if the Transaction Type is a Financial Transaction Type]*
- (x) [Subordinated European Insurance *(only if Part B – 2014 ISDA Credit Derivatives Definitions apply)*]: [Applicable/Not Applicable]

**19. Equity Linked Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Share(s): [●]
- (b) ISIN of Share(s): [*Specify*]
- (c) Screen Page/Exchange Code: [*Specify*]
- (d) Formula to be used to determine the Equity Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]  
*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (e) Averaging Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]  
  
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]  
  
[Modified Postponement]  
  
*(only applicable if Modified Postponement is applicable as an Averaging election).*  
  
[Specified Maximum Days of Disruption will be equal to: [●]/[eight]]  
  
*(if no Specific Maximum Days of Disruption are*

*stated, Specified Maximum Days of Disruption will be equal to eight)*

- (f) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (g) Observation Period(s): [Specify/Not Applicable]
- (h) Exchange Business Day: [●]
- (i) Scheduled Trading Day: [●]/[As per Condition 21]
- (j) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (k) Related Exchange(s): [Specify/Each exchange or quotation system on which option contracts or futures contracts relating such Share are traded]
- (l) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time).

**20. Inflation Linked Note Provisions**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Index/Indices: [●]
- (b) Screen Page/Exchange Code: [●]
- (c) Formula to be used to determine the Inflation Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]
- [Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]
- (d) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]

- (e) Specified Maximum days of Disruption: [●]/[eight]  
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (f) Cut-Off Date: [●]/[Not Applicable]
- (g) Related Bond: [[●]/Fall Back Bond]/[Not Applicable]
- (h) Issuer of Related Bond: [●]/[Not Applicable]
- (i) Fall Back Bond: [Applicable/Not Applicable]
- (j) Index Sponsor: [●]
- (k) Scheduled Trading Day: [Not Applicable/specify]
- (l) Relevant Time: [Not Applicable/specify]
- (m) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable].]

[In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] will apply.]

- (n) Observation Period(s): [specify/Not Applicable]

**21. Currency Linked Interest Note Provisions**

[Applicable/Not Applicable]

*(if not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Exchange Rate(s) [●]
- (b) Formula to be used to determine the Currency Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]  
  
*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (c) Screen page: [●]
- (d) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]  
  
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (e) Scheduled Trading Day: [●]/

- (f) Specified Maximum days of Disruption: [●]/[eight]  
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (g) Relevant Time [●]
- (h) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (i) Observation Period(s): [*specify*]/Not Applicable]

**22. Commodity Linked Interest Note Provisions** [Applicable/Not Applicable]

*(if not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Commodity/Commodities/Commodity Index: [●]
- (b) Formula to be used to determine the Commodity Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]  
*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (c) Deadline for publication of correction of Commodity Reference Price: [●]/[As per Condition 24]
- (d) Commodity Reference Price: [●]  
the Price Source is/are: [●]
- (e) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (f) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]  
  
[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (g) Specified Maximum Days of Disruption: [●]/[two]  
  
*(if no Specified Maximum Days of Disruption are*

stated, Specified Maximum Days of Disruption will be equal to two) (*applicable only to Price Source Disruption or Trading Disruption*)

- (h) Disruption Fallback(s): /[Not Applicable]
- (i) Delayed Redemption on Occurrence of Market Disruption Event: [Applicable/Not Applicable]
- (j) Relevant Time:
- (k) Observation Date(s): [The Observation Date(s) is/are /Not Applicable.]  
[In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (l) Observation Period(s): [Specify/Not Applicable]

**23. Fund Linked Note Provisions:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (a) Fund/Funds:   
  
[The  Fund is an ETF]<sup>29</sup>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (b) Fund Shares:   
  
[The  Fund is an ETF]<sup>30</sup>
- (c) Weighting: [Not Applicable]/[The Weighting to be applied to each Fund Share comprising the Fund Basket is
- (d) Formula to be used to determine the Fund Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Structured Rate/ Floating to Structured Rate/ Zero Coupon to Structured Rate / Combined / Participative Coupon/Internal Rate of Return Coupon]  
  
*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (e) Exchange(s): /[Not Applicable] (*only applicable to ETFs*)[Not Applicable]/[The Weighting to be applied to each Fund Share comprising the Fund Basket is
- (f) Related Exchange: /[All Exchanges]/[Not Applicable] (*only applicable to ETFs*)[/[Not Applicable] (*only applicable to ETFs*)

<sup>29</sup>Specify each ETF (if any).

<sup>30</sup>Specify each ETF (if any).



- (g) Scheduled Trading Day: [All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis] (*only applicable to ETFs*)[●]/[All Exchanges]/[Not Applicable] (*only applicable to ETFs*)
- (h) Fund Documents: [●] A copy of the Funds Documents [is annexed to these Final Terms][can be obtained from [●]][All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis] (*only applicable to ETFs*)
- (i) Fund Business Day: [All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis][●] A copy of the Funds Documents [is annexed to these Final Terms][can be obtained from [●]]
- (j) Fund Service Provider: [As per Conditions]/[●][All Fund Share Basis]/[Per Fund Share Basis]/[Single Fund Share Basis]
- (k) Calculation Date(s): [As per Conditions]/[●][As per Conditions]/[●]
- (l) Initial Calculation Date: [●]/[Not applicable][As per Conditions]/[●]
- (m) Final Calculation Date: [●]/[Not applicable][●]/[Not applicable]
- (n) NAV Barrier: [●][●]/[Not applicable]
- (o) NAV Trigger Percentage: [As per Conditions]/[●][●]
- (p) NAV Trigger Period: [●][As per Conditions]/[●]
- (q) Number of NAV Publication Days: [●][●]
- (r) Cash Facility and Spread: [Overnight USD LIBOR Facility – [Spread of + ● bps /- ● bps]][Overnight EURIBOR Facility – [Spread of + ● bps /- ● bps]][3 month USD LIBOR Facility – [Spread of + ● bps /- ● bps]][3 month EURIBOR Facility – [Spread of + ● bps /- ● bps]][*specify*][●]
- (s) Formula: [●][Overnight USD LIBOR Facility – [Spread of + ● bps /- ● bps]][Overnight EURIBOR Facility – [Spread of + ● bps /- ● bps]][3 month USD LIBOR Facility – [Spread of + ● bps /- ● bps]][3 month EURIBOR Facility – [Spread of + ● bps /- ● bps]][*specify*]
- (t) Provisions for determining coupon where calculation by reference to Formula is impossible or impracticable: [●][Principal Paying Agent]/[Dealer]/[Other [Address]
- (u) Interest Period(s): [●]

- (v) Interest Period End Date(s):
- Business Day Convention for Interest Period End Date(s):   
 [Following/Modified  
 Following/Preceding/FRN/None]
- (w) Interest Payment Date(s):
- Business Day Convention for Interest Payment Date(s):   
 [Following/Modified  
 Following/Preceding/FRN/None/Not applicable]
- (If a Business Day Convention is specified for Interest Period End Date(s), unless Interest Payment Date(s) are expressed to be a number of Business Days after the relevant Interest Period End Final Date, Interest Payment Date(s) must be subject to the same Business Day Convention)*

[Following/Modified Following/Preceding/FRN/None]

**24. Bond Linked Notes Provisions:**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Type of Bond Linked Notes: [Single Bond Linked Notes][Basket Bond Linked Notes]
- (b) Interest payment condition: [Conditional upon the [occurrence/non-occurrence]of a Bond Event on the Bond(s) during the Reference Period]/[Not Applicable]
- (c) Reference Period: The period commencing at or after 12.01 a.m., Greenwich Mean Time (GMT) on (and including) [specify date] and ending at or prior to 11.59 p.m., GMT on (and including, subject as provided below) the Scheduled Maturity Date. [if other period applicable, delete previous sentence and insert applicable provisions]
- (d) Formula to be used to determine the Bond Linked Interest Amount: [Fixed Rate / Floating Rate / Fixed to Floating Rate / Fixed to Structured Rate / Floating to Structured Rate / Zero Coupon to Structured Rate / Combined / Participative Coupon / Internal Rate of Return Coupon]

*[Insert Formula, Terms of Payment, relevant value(s)]*

and other related provisions from the Technical Annex to determine the coupon due]

(e) Trade Date: [●]

(f) First Bond Event Occurrence Date: [●]

(g) Scheduled Maturity Date: [specify]

(h) Bond(s): [If Single Bond Linked Notes]

Bond Issuer	Bond ISIN Code	Bond Currency	Bond Notional Amount	Maturity
[●]	[●]	[●]	[●]	[●]

[If Basket Bond Linked Notes]

**Reference Portfolio**

Bond Issuer	Bond ISIN Code	Bond Weighting	Bond Currency	Bond Notional Amount	Maturity	Reference Price
[●]	[●]	[●]	[●]	[●]	[●]	[●]

(i) Bond Currency: [For Single Bond Linked Notes: The Bond Currency described in paragraph “Bond(s)” above]

[For Basket Bond Linked Notes: The Bond Currency described in respect of the Bonds comprised in the Reference Portfolio as described in paragraph “Bond(s)” above]

(j) Bond Notional Amount: [For Single Bond Linked Notes: On the Issue Date, the Bond Notional Amount in the Bond Currency, each as described in paragraph 24(h) above and thereafter as modified in accordance with the definition of “Bond Notional Amount” in the Additional provisions applicable to Bond Linked Notes.]

[For Basket Bond Linked Notes: On the Issue Date, the Bond Notional Amount in the Bond Currency described in respect of the Bonds comprised in the Reference Portfolio, all as described in paragraph 24(h) above and thereafter as modified in accordance with the definition of “Bond Notional Amount” in the Additional provisions applicable to Bond Linked Notes]

(k) Bond Events: [If Single Bond Linked Notes: The Bond Event(s) specified below] [If Basket Bond Linked Notes: For

each Bond comprised in the Reference Portfolio, the Bond Event(s) specified below:]

[Bond Acceleration]

[Bond Default]

[Bond Early Redemption]

[Bond Governmental Intervention]

[Bond Issuer ISDA Event]

[Bond Restructuring]

[Bond Failure to Pay]

(l) Default Requirement: [Applicable/Not Applicable]

[Specify]

*(If not specified, Default Requirement will be USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).*

**25. Rate Linked Notes Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(a) Underlying Rate(s): [●]

(b) Screen Rate Determination: [Applicable/Not Applicable]

– Relevant Screen Page(s): [●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

– Relevant Financial Centre(s): [London/Brussels/specify other Relevant Financial Centre]

– Rate Determination Date(s): [●]

– Relevant Time: [●] *(which will be 11:00 am, London time, in the case of LIBOR, or 11:00 am, Brussels time, in the case of EURIBOR)*

(c) ISDA Determination: [Applicable/Not Applicable]

– Floating Rate Option: [●]

– Designated Maturity: [●]

- Reset Date(s):  (*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*)
- Leverage:
- Underlying ISDA Rate:
- (d) FBF Determination:  [Applicable/Not Applicable]
  - Rate Determination Date(s):
  - FBF Definitions (if different from those set out in the Conditions):
  - [Leverage:
- (e) Formula to be used to determine the Rate Linked Interest Amount:  [Fixed Rate / Floating Rate / Fixed to Floating / Fixed to Structured Rate/ Floating to Structured Rate/Zero Coupon to Structured Rate/ Combined / Participative Coupon / Internal Rate of Return Coupon]
 

*[Insert Formula, Terms of Payment, relevant value(s) and other related provisions from the Technical Annex to determine the coupon due]*
- (f) Averaging:  Averaging [applies/does not apply] to the Notes. [The Averaging Dates are .]
 

[In the event that an Averaging Date is a Disrupted Day  [Omission/Postponement/Modified Postponement] will apply.]
- (g) Observation Date(s):
- (h) Observation Period:
- (i) Scheduled Trading Day:
- (j) Specified Maximum Days of Disruption: /[As defined in Condition 27.3]
- (k) Trade Date:
- (l) Valuation Date(s):

**26. Business Day Convention**

- (a) For Interest Payment Dates:  [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

- (b) For Interest Periods: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (c) For the Maturity Date or Redemption Date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (d) Any other date: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]

**27. Day Count Fraction:** [30/360]/[Actual/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/[Actual/365 – FBF]/[Actual/365 (Fixed)]/[Actual/365 (Sterling)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond basis]/[●]/[Not Applicable]

**28. Additional Business Centre(s):** [●]

**GENERAL PROVISIONS RELATING TO REDEMPTION**

**29. Notice periods for Condition 6.2 of the English Law Notes and Condition 9.2 of the French Law Notes:** Minimum period: [ ] days  
Maximum period: [ ] days

**30. Issuer Call** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s): [[●] per Calculation Amount [less Early Redemption Unwind Costs. Early Redemption Unwind Costs means [Standard Early Redemption Unwind Costs]]/Fair Market Value]
- (c) If redeemable in part:
  - (i) Minimum Redemption Amount: [●]
  - (ii) Maximum Redemption Amount: [●]
- (d) Notice period: Minimum period: [ ] days

Maximum period: [ ] days

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*

**31. Investor Put**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s): [●] per Calculation Amount [minus the Early Redemption Fees]
- (c) Early Redemption Fees: [Not Applicable/[●] per cent. of the Calculation Amount]
- (d) Notice periods: Minimum period: [ ] days  
Maximum period: [ ] days

**32. Early Redemption upon the crossing of a Coupon threshold**

[[Condition 6.6(a) /Condition 6.6(b) of the [English/French] Law Notes] is applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Threshold Observation Start Date: [●]
- (b) Threshold Percentage: [●]
- (c) Threshold Redemption Amount: [●]
- (d) Threshold Redemption Date: [next Interest Payment Date after the crossing of the Threshold Percentage]/ [[●] business days after the crossing of the Threshold Percentage]  
  
*(if Condition 6.6(a) of the English Law Notes or Condition 9.6(a) of the French Law Notes, as the case may be, applies, the Threshold Redemption Dates are the same as Interest Payment Dates)*
- (e) Notice periods: [In accordance with Condition [6.6 of the English Law Notes]/[9.6 of the French Law Notes] /[●] business days]

**33. Final Redemption Amount**

- (a) [[●] per Calculation Amount] The [Credit/Index/Equity/Inflation/Currency/Commodity/Fund/Bond/Rate] Linked Redemption Amount] / [Physical Delivery]
- (b) Settlement Method: [Cash Settled Notes]/[Physical Delivery]

*(NB: In the case of any Equity Linked Notes or Credit Linked Notes, specify whether the Notes are Cash Settled Notes or Physical Delivery Notes. All other Notes are cash settled Notes)*

*(If the Final Redemption Amount is lower than 100 per cent. of the nominal value or where the redemption amount depends on an underlying, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.)*

(a) Index Linked Redemption Amount:

[Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Index/Indices:

[●]

(ii) Screen Page:

*[Specify if applicable, or give the sources of observation for each index]*

(iii) Component Transactions:

[●]

(iv) Formula to be used to determine the principal due:

[Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In] / / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:

*[Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*

(v) Settlement Price:

[●]

(vi) Valuation Method:

The Valuation Method shall be [Highest]/[Average



- Highest]/[Market Value]/[NA]
- (vii) Quotation Method: The Quotation Method shall be [Bid]/[Mid]/[Ask]/[NA]
- (viii) Quotation Amount: The Quotation Amount shall be [●]/[As set out in the Conditions]/[NA]
- (ix) Averaging: Averaging [applies/does not apply] to the Notes.  
 [The Averaging Dates are [●].]  
 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]  
 [Modified Postponement]  
*(only applicable if Modified Postponement is applicable as an Averaging election)*  
 [Specified Maximum Days of Disruption will be equal to: [●]/[eight]]  
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (x) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable]. [In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] will apply.]
- (xi) Observation Period(s): [*Specify*/Not Applicable]
- (xii) Exchange Business Day: [●]
- (xiii) Scheduled Trading Day: [●]/[As per Condition 20]
- (xiv) Exchange(s) and Index Sponsor: (A) the relevant Exchange[s] [is/are] [●] and  
 (B) the relevant Index Sponsor is [●].
- (xv) Related Exchange: [*Specify*/Each exchange or quotation system on which option contracts or futures contracts relating such Index is traded]
- (xvi) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] (*N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time.*)

- (xvii) Additional Disruption Events: [(A)] The following Additional Disruption Events apply to the Notes:
- (Specify each of the following which applies.)
- [Change of Law]
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Loss of Stock Borrow]
- [(B)] [The Trade Date is [●]. *[If no Trade Date is specified, Issue Date will be the Trade Date]*
- (N.B. only applicable if Change of Law and/or Increased Cost of Hedging is applicable)]*
- [(C)] [The Maximum Stock Loan Rate in respect of *[specify in relation to each relevant Share]* is [●].
- (N.B. only applicable if Loss of Stock Borrow is applicable)]*
- [(D)] [The Initial Stock Loan rate in respect of *[specify in relation to each relevant Share]* is [●].
- (N.B. only applicable if Increased Cost of Stock Borrow is applicable)]*
- (xviii) Market Disruption Specified Maximum Days of Disruption will be equal to [●]/[eight]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (xix) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [Specify]

- (B) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable/specify]
- (D) Knock-in Period Ending Date: [Not Applicable/specify]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.] [●]
- (xx) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Level: [Specify]
- (B) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/specify]
- (D) Knock-out Period Ending Date: [Not Applicable/specify]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.] [●]
- (xxi) Automatic Early Redemption Event: [Not Applicable/specify/["greater than or equal to"/"less than"/"less than or equal to"] Automatic Early Redemption Level]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (A) Automatic Early Redemption Amount: [Specify/See definition in Condition 20]

- (B) Automatic Early Redemption Date(s): [Specify]
- (C) Automatic Early Redemption Price: [Specify]
- (D) Automatic Early Redemption Level: [Specify]
- (E) Automatic Early Redemption Rate: [Specify]
- (F) Automatic Early Redemption Valuation Date(s): [Specify]
- (b) Credit Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [Part A – 2009 ISDA Credit Derivatives Definitions] / [Part B – 2014 ISDA Credit Derivatives Definitions] shall apply.
- (i) Trade Date: [●]
- (ii) Transaction Type: [Specify]
- (iii) Scheduled Termination Date: [Maturity Date unless otherwise specified]
- (iv) Reference Entity(ies): [[●] and any Successor/Not Applicable/(if there is more than one Reference Entity) The Reference Entities specified in Annex 1 hereto (or any Successor thereto)]
- (v) Reference Obligation(s): [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) [●]/Not Applicable]
- (only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Standard Reference Obligation: [Applicable: [Seniority Level: Senior Level / Subordinated Level / As set out in the Conditions] / Not applicable: specify the Non-Standard Reference Obligation]*
- [(if there is more than Reference Entity) For each*

- Reference Entity, the Reference Obligation(s)  
specified in Annex 1 hereto]
- (vi) Reference Obligation Notional Amount: [[●]/Not Applicable]
- (vii) Credit index: [[●] (*specify the name of the credit index, the name of the sponsor of the credit index, the index roll (if applicable) and the weighting of each underlying of the credit index*)/Not Applicable]
- (viii) Index tranche: [●]/[Not Applicable] (*If applicable, specify the tranche*)
- (ix) Issuer(s)<sup>31</sup>: [[●]/Not Applicable]
- (x) Guarantor(s): [[●]/Not Applicable]
- (xi) All Guarantees: [Applicable/Not Applicable]
- [*(only if Part A – 2009 ISDA Credit Derivatives Definitions apply*): Provisions relating to Qualifying Guarantee and Underlying Obligation:  
[Applicable/Not Applicable]]
- (xii) Obligation: Obligation Category: [Payment]
- [Borrowed Money]  
[Reference Obligations Only]  
[Bond]  
[Loan]  
[Bond or Loan]  
[Payment]  
[Borrowed Money]  
[Reference Obligations Only]  
[Bond]  
[Loan]  
[Bond or Loan]
- Obligation Characteristics: [Not Subordinated]  
[Not Sovereign Lender]  
[Specified currency]  
[Not Domestic Currency]  
[Not Domestic Law]  
[Listed]  
[Not Domestic Issuance]
- Excluded Obligations: [None]/[specify]
- (xiii) Grace Period: [The number of days equal to the grace period with respect to payments in accordance with the terms of,

<sup>31</sup>This relates to the Reference Entity and/or the Reference Obligation.

and under, the relevant Obligation, and, if no grace period is applicable, zero./insert maximum number of days]

- (xiv) Grace Period Extension: [Applicable/Not Applicable]
- (xv) Maturity Date Extension: [Applicable/Not Applicable]
- (xvi) Credit Events: [Bankruptcy]
- [Failure to Pay]
- [Loss Event]
- [Obligation Acceleration]
- [Obligation Default]
- [Rating Downgrade]
- [Repudiation/Moratorium]
- [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Governmental Intervention]
- [Restructuring:
- [Multiple Holder Obligation: Applicable]
- [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable]
- [(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable]
- [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Mod R: Applicable]
- [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Mod Mod R: Applicable]
- (xvii) Payment Requirement: [Applicable/Not Applicable]
- [Specify]
- (If not specified, Payment Requirement will be USD1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable).
- (xviii) Default Requirement: [Applicable/Not Applicable]

[Specify]

(If not specified, Default Requirement will be USD10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).

(xix) Fallback provisions: [Applicable : [Specify the fallback provisions of the relevant underlying hedging agreement entered into by the Issuer / In accordance with Condition 19.19]/Not Applicable

(Only applicable for a credit index or an index tranche)

(xx) [Financial Reference Entity Terms (only if Part B – 2014 ISDA Credit Derivatives Definitions apply): [Applicable/Not applicable]/(if there is more than one Reference Entity) According to the Transaction Type specified in Annex 1 hereto: Applicable, if the Transaction Type is a Financial Transaction Type]

(xxi) [Subordinated European Insurance (only if Part B – 2014 ISDA Credit Derivatives Definitions apply): [Applicable/Not applicable]

– [(only if Part A - 2009 ISDA Credit Derivatives Definitions apply) Conditions to Settlement (if any)] [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Notice of Publicly Available Information]: [Notice of Publicly Available Information (only if Part A - 2009 ISDA Credit Derivatives Definitions apply)]

[Applicable/Not applicable]

If applicable: **Specified Number:** [●] (if applicable and not specified, it shall be two)]

Publicly Available Information: [Specify/Not Applicable]

– Settlement: [Auction/Cash/Physical] Settlement (please specify)

*Terms relating to Physical Settlement:*

(xxii) Deliverable Obligations: [Include Accrued Interest] / [Exclude Accrued Interest]

(xxiii) Deliverable Obligations: Deliverable [Payment]

Obligation Category:

[Borrowed Money]  
[Reference Obligation Only]  
[Bond]  
[Loan]  
[Bond or Loan]

Deliverable  
Obligation

Characteristics:

[Not Subordinated]  
[Specified Currency]  
[Not Domestic Currency]  
[Not Sovereign Lender]  
[Not Domestic Law]  
[Listed]  
[only if Part A - 2009 ISDA  
Credit Derivatives  
Definitions apply) Not  
contingent]  
[Not Domestic Issuance]  
[Assignable Loan]  
[Consent Required Loan]  
[Transferable]  
[Maximum Maturity]  
[Accelerated or Matured]  
[Not Bearer]

Excluded Obligations: [None][specify]

- (xxiv) Physical Settlement Period: Settlement The longest of the number of Business Days for settlement in accordance with the then current market practice of any Deliverable Obligation being Delivered, as determined by the Calculation Agent, subject to a minimum of [30/90/120/other] Business Days following the satisfaction of all Conditions to Settlement.
- (xxv) Number of calendar days' notice (Notice of Physical Settlement): [0/5/specify number] days [insert number of calendar days prior to Physical Settlement Date]
- (xxvi) Physical Settlement Date: Settlement The date within the Physical Settlement Period upon which all the Deliverable Obligations specified in the Notice of Physical Settlement are Delivered; provided that if on the last day of the Physical Settlement Period the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered due to any reason as set out in Conditions 19.28, 19.29, 19.30 and 19.32 (*Partial Cash Settlement Terms*), the Physical



Settlement Date shall be the last day of the Physical Settlement Period.

(xxvii) Latest Permissible Physical Settlement Date: [[*specify number*] days after the final day of the Physical Settlement Period].

(xxviii) Unwind Amount: [Applicable: [*Specify*/Standard Unwind Costs]/Not Applicable]

*Terms relating to Cash Settlement:*

(xxix) Valuation Date: [●]

(xxx) Valuation Time: [As set out in the Condition] / [*specify other*]

(xxxi) Quotation Method: [Bid]/[Mid]/[Ask]

(xxxii) Quotation Amount: [●]

(xxxiii) Cash Settlement Date: [As set out in the Conditions] / [*specify other*]

(xxxiv) Valuation Method: [Exclude Accrued Interest/Include Accrued Interest] / As set out in the Conditions (*only if Part B - 2014 ISDA Credit Derivatives Definitions apply*)  
(for determination of Final Price)

(xxxv) Unwind Amount [Applicable/Not Applicable]

*Terms relating to Auction Settlement:*

(xxxvi) Fallback Settlement Method: [Cash Settlement/Physical Settlement]

(xxxvii) Auction Settlement Amount: Auction Final Price

(xxxviii) Business Day Convention: [Following/Modified Following/Preceding]

(xxxix) Succession Event Backstop Date subject to adjustment in accordance with Business Day Convention: [Yes/No]

(xl) Limitation Dates subject to adjustment in accordance with Business Day Convention: [*only if Part A - 2009 ISDA Credit Derivatives Definitions apply*] Yes/No]

(xli) Hedging Arrangement Notifying Party: [Buyer/Seller/Buyer or Seller]

- (xlii) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [Specify]
- (B) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable/specify]
- (D) Knock-in Period Ending Date: [Not Applicable/specify]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.] [●]
- (xliii) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Level: [Specify]
- (B) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/specify]
- (D) Knock-out Period Ending Date: [Not Applicable/specify]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.] [●]  
[Credit Linked Notes Early Redeemed]/[Credit Linked Notes Redeemed at Maturity]/[Guaranteed Credit Linked Notes]/[Basket/Index Credit Linked
- (xliv) Formula to be used to determine the principal

due: Notes]/ [Leverage Basket/Index Credit Linked Notes] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [n<sup>th</sup> to Default Credit Linked Notes Early Redeemed]/[Index tranche Credit linked Notes]/[ n<sup>th</sup> to Default Credit Linked Notes Redeemed at Maturity]

*[Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*

(c) Equity Linked Redemption [Applicable/Not Applicable]  
Amount:

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Share(s): [●]

(ii) ISIN of Share(s): [Specify]

(iii) Screen Page/Exchange Code: [Specify]

(iv) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In]/ [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:

*[Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*

(v) Settlement Price: The Settlement Price will be calculated [*insert calculation method*]/[As set out in the Conditions]

[Exchange Rate:[●]]

(vi) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].] [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] [Modified Postponement]

*(only applicable if Modified Postponement is applicable as an Averaging election)*

[Specified Maximum Days of Disruption will be equal to: [●]/[eight]]

*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*

- (vii) Observation Date(s): [The Observation Date(s) is/are [●]/ Not Applicable.]  
[In the event that an Observation Date is a Disrupted Day/ [Omission/Postponement/Modified Postponement] will apply.]
- (viii) Observation Period(s): [*Specify*/Not Applicable]
- (ix) Exchange Business Day: [●]
- (x) Scheduled Trading Day: [●]/[As per Condition 21]
- (xi) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (xii) Related Exchange(s): [*Specify*/Each exchange or quotation system on which option contracts or futures contracts relating such Share are traded]
- (xiii) Relevant Time: [Scheduled Closing Time/Any time [on the Valuation Date/during the Observation Period.] [The relevant time is [●, being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price.] [*N.B. if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time*).
- (xiv) Additional Disruption Events: [(A)] The following Additional Disruption Events apply to the Notes:  
*(Specify each of the following which applies.)*  
[Change of Law]  
[Hedging Disruption]  
[Insolvency Filing]  
[Failure to Deliver]  
[Increased Cost of Hedging]  
[Increased Cost of Stock Borrow]  
[Loss of Stock Borrow]
- [(B)] [The Trade Date is [●].  
  
*(N.B. only applicable if Change of Law and/or Increased Cost of Hedging is applicable)*
- [(C)] [The Maximum Stock Loan Rate in respect of [*specify in relation to each relevant Share*] is [●].  
  
*(N.B. only applicable if Loss of Stock Borrow*

- is applicable)]*
- [(D)] [The Initial Stock Loan rate in respect of [specify in relation to each relevant Share] is [●].
- (N.B. only applicable if Increased Cost of Stock Borrow is applicable)]*
- (xv) Market Disruption Specified Maximum Days of Disruption will be equal to [●]/[eight]:
- (if no Specific Maximum Days of Disruption is stated, Specified Maximum Days of Disruption will be equal to eight)*
- (xvi) Delayed Redemption on Occurrence of Extraordinary Event [Applicable/Not Applicable]
- (if not applicable, delete the remaining subparagraph of this paragraph)*
- [Rate for accrual of interest [●]/as specified in the Terms and Conditions]
- (xvii) Tender Offer [Applicable/Not Applicable]
- (xviii) Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency (delete as appropriate) Share Substitution [is applicable/is not applicable].
- (xix) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [Specify]
- (B) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable/specify]

- (D) Knock-in Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xx) Knock-out Event: [Not Applicable/*specify*["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Level: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/*specify*]
- (D) Knock-out Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xxi) Automatic Early Redemption Event: [Not Applicable/*specify*["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] Automatic Early Redemption Price]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (A) Automatic Early Redemption Amount: [*Specify*/See definition in Condition 21.7]
- (B) Automatic Early Redemption Date(s): [*Specify*]
- (C) Automatic Early Redemption Price: [*Specify*]
- (D) Automatic Early Redemption Rate: [*Specify*]

- (E) Automatic Early Redemption Valuation Date(s): [Specify]
- (F) Automatic Early Redemption Number of Shares: [Not Applicable/specify]
- (d) Fund Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Fund/Funds: [●]
- [The [●] Fund is an ETF]<sup>32</sup>*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (ii) Fund Shares: [●][●]
- [The [●] Fund is an ETF]<sup>33</sup>
- (iii) Weighting: [Not Applicable]/[The Weighting to be applied to each Fund Share comprising the Fund Basket is [●][●]
- (iv) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:
- [Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (v) Additional Extraordinary Fund Event(s): [●]
- (Specify whether each Additional Extraordinary Fund Event is a Substitution Event or a Termination Event)[●]*
- (vi) Basket Trigger Level: [●]/[As per Conditions][●]
- (Specify whether each Additional Extraordinary Fund Event is a Substitution Event or a Termination Event)*

<sup>32</sup>Specify each ETF (if any).

<sup>33</sup>Specify each ETF (if any).

- (vii) Scheduled redemption Payment Date: [●]
- (viii) Averaging: Averaging [applies/does not apply] to the Notes.  
 [The Averaging Dates are [●].]  
 [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]  
 [Modified Postponement]  
 (only applicable if Modified Postponement is applicable as an Averaging election)  
 Specified Maximum Days of Disruption will be equal to: [●]/[eight]  
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (ix) Coupon Valuation Date(s): [●][●]/[As per Conditions]
- (x) Valuation Date: [●]/[Not Applicable] (*only applicable to ETFs*)[●]
- (xi) Valuation Time: [●]/[Not Applicable] (*only applicable to ETFs*)[●]/[Not Applicable] (*only applicable to ETFs*)
- (xii) Consequences of Extraordinary Fund Event: [*specify*]/[As per Conditions][●]/[Not Applicable] (*only applicable to ETFs*)
- (xiii) Termination Amounts: [Delta-1 Termination Amount]/[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[*specify*]/[Not Applicable][*specify*]/[As per Conditions]
- (xiv) Delta-1 Termination Amount: [●]/[Not Applicable] [Delta-1 Termination Amount]/[Principal Protected Termination Amount]/[Non-Principal Protected Termination Amount]/[*specify*]/[Not Applicable]
- (xv) Portfolio: [●]/[Not Applicable] [●]/[Not Applicable]
- (xvi) Protected Amount: [●]
- (xvii) Simple Interest Spread: [●][●]/[Not Applicable]
- (xviii) Termination Date: [●][●]
- (xix) Delayed Redemption on [Applicable]/[Not Applicable][●]



- Occurrence of  
Extraordinary Fund  
Event:
- (xx) Delayed Payment Cut-Off Date: [specify]/[As per Conditions][Applicable]/[Not Applicable]  
[Not Applicable/specify]
- (xxi) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Price: [Specify]
- (B) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable/specify]
- (D)
- (E) Knock-in Period Ending Date: [Not Applicable/specify]
- (F) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xxii) Knock-out Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
[In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Price: [Specify]
- (B) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period [Not Applicable/specify]

- Beginning Date:
- (D) Knock-out Period [Not Applicable/*specify*]  
Ending Date:
- (E) Knock-out [Scheduled Closing Time]/[Any time on a Knock-out  
Valuation Time: Determination Day.]/[●]
- (xxiii) Automatic Early [Not Applicable/*specify*/"greater than"/"greater than  
Redemption Event: or equal to"/"less than"/"less than or equal to"] the  
Automatic Early Redemption Level]  
*(If not applicable, delete the remaining sub-  
paragraphs of this paragraph)*
- (A) Automatic Early [specify]  
Redemption  
Date(s):
- (B) Automatic Early [specify]  
Redemption  
Amount:
- (C) Automatic Early [specify]  
Redemption  
Price:
- (D) Automatic Early [specify]  
Redemption Rate:
- (E) Automatic Early [specify]  
Redemption  
Valuation Date(s):
- (e) Inflation Linked Redemption [Applicable/Not Applicable]  
Amount:  
*(If not applicable, delete the remaining sub-  
paragraphs of this paragraph)*
- (i) Index/Indices: [●]
- (ii) Screen Page/Exchange [●]  
Code:
- (iii) Formula to be used to [Reverse Convertible with European Barrier] /  
determine the principal [Reverse Convertible with American Barrier] /  
due: [Autocall with [European/American] Barrier] /  
[Generic Reverse with European Barrier]/ [Generic  
Short Call Spread] / [Lock-In] / [Callable Stability] /  
[Call] / [Bonus Certificate with [European/American]  
Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread]  
/ [Mountain Range]:  
*[Insert formula, relevant value(s) and other related  
provisions (to determine the principal due) from the*

*Technical Annex*

- (iv) Related Bond [[●]/Fall Back Bond]/[Not Applicable]
- (v) Index Sponsor: [●]
- (vi) Relevant Time: [●]
- (vii) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (viii) Specified Maximum days of Disruption: [●]/[eight]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (ix) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.]
- [In the event that an Observation Date is a Disrupted Day/[Omission/Postponement/Modified Postponement] will apply.]
- (x) Observation Period(s): [*specify*/Not Applicable]
- (xi) Related Bond Redemption Event: [Applicable/Not Applicable]
- (xii) Deduction of unwinding and amendment of underlying hedging arrangements Costs (*for the purposes of Index Cancellation and Change in Law*): [Applicable/Not Applicable]
- (xiii) Knock-in Event: [Not Applicable/*specify*["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Price: [*Specify*]

- (B) Knock-in Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable/*specify*]
- (D) Knock-in Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xiv) Knock-out Event: [Not Applicable/*specify*/"greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Price: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify*/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/*specify*]
- (D) Knock-out Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xv) Automatic Early Redemption Event: [Not Applicable/*specify*/"greater than"/"greater than or equal to"/"less than"/"less than or equal to"] the Automatic Early Redemption Level]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (A) Automatic Early Redemption Date(s): [*specify*]
- (B) Automatic Early Redemption Amount: [*specify*]

- (C) Automatic Early Redemption Level: [specify]
- (D) Automatic Early Redemption Rate: [specify]
- (E) Automatic Early Redemption Valuation Date(s): [specify]
- (f) Currency Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Exchange Rate(s): [●]
- (ii) Screen page: [●]
- (iii) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.]
- (iv) Scheduled Trading Day: [●]
- (v) Specified Maximum days of Disruption: [●]/[eight]
- (if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (vi) Relevant Time: [●]
- (vii) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (viii) Observation Period(s): [specify/Not Applicable]
- (ix) Settlement Rate: [●]
- (x) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Autocall with [European/American] Barrier] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark ] / [Himalaya] / [Ladder Call

- Spread] / [Mountain Range]:
- [Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (xi) Knock-in Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [*Specify*]
- (B) Knock-in Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-in Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xii) Knock-out Event: [Not Applicable / *specify* /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Level: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-out Period Ending Date: [Not Applicable / *specify*]

- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xiii) Automatic Early Redemption Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] the Automatic Early Redemption Level]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (A) Automatic Early Redemption Date(s): [specify]
- (B) Automatic Early Redemption Amount: [specify]
- (C) Automatic Early Redemption Level: [specify]
- (D) Automatic Early Redemption Rate: [specify]
- (E) Automatic Early Redemption Valuation Date(s): [specify]
- (g) Commodity Linked Redemption Amount: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Commodity/Commodities/ Commodity Index: [●]
- (ii) Observation Date(s): [The Observation Date(s) is/are [●]/Not Applicable.] [In the event that an Observation Date is a Disrupted Date/[Omission/Postponement/Modified Postponement] will apply.]
- (iii) Observation Period(s): [Specify/Not Applicable]
- (iv) Relevant Time: [●]
- (v) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [●].]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified

- Postponement] will apply.]
- (vi) Exchange(s): The relevant Exchange[s] [is/are] [●].
- (vii) Specified Maximum Days of Disruption: [●]/[two]
- (if no Specified Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to two) (*applicable only to Price Source Disruption or Trading Disruption*)
- (viii) Disruption Fallback(s): [●]/[Not Applicable]
- (ix) Delayed Redemption on Occurrence of Market Disruption Event: [Applicable/Not Applicable]
- (x) Deadline for publication of correction of Commodity Reference Price: [●]/[As per Condition 24]
- (xi) Commodity Reference Price: [●]
- the Price Source is/are: [●]
- (xii) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Generic Reverse with European Barrier]/ [Generic Short Call Spread] / [Lock-In] / [Autocall with [European/American] Barrier] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]:
- [Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (xiii) Knock-in Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-in Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [Specify]
- (B) Knock-in [Specify / Each Scheduled Trading Day in the Knock-



- Determination Day(s): in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-in Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xiv) Knock-out Event: [Not Applicable / *specify* /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-out Level]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Level: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-out Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.]/[●]
- (xv) Automatic Early Redemption Event: [Not Applicable/*specify*/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] the Automatic Early Redemption Level]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (A) Automatic Early Redemption Date(s): [*specify*]
- (B) Automatic Early Redemption Amount: [*specify*]
- (C) Automatic Early [*specify*]

Redemption  
Price:

(D) Automatic Early Redemption Rate: [specify]

(E) Automatic Early Redemption Valuation Date(s): [specify]

(h) Bond Linked Redemption Amount: [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) Type of Bond Linked Notes [Single Bond Linked Notes] [Basket Bond Linked Notes]

(ii) Trade Date: [●]

(iii) Scheduled Maturity Date: [●]

(iv) First Bond Event Occurrence Date: [●]

(v) Bond(s): [If Single Bond Linked Notes]

Bond Issuer	Bond ISIN Code	Bond Currency	Bond Notional Amount	Maturity
[●]	[●]	[●]	[●]	[●]

*[If Basket Bond Linked Notes]*

Reference Portfolio

Bond Issuer	Bond ISIN Code	Bond Weighting	Bond Currency	Bond Notional Amount	Maturity	Reference Price
[●]	[●]	[●]	[●]	[●]	[●]	[●]

(vi) Bond Currency: [For Single Bond Linked Notes : Currency described in paragraph “Bond(s)” above]

*[For Basket Bond Linked Notes: The Bond Currency described in respect of the Bonds comprised in the Reference Portfolio as described in paragraph “Bond(s)” above]*

(vii) Bond Notional Amount: [For Single Bond Linked Notes: On the Issue Date,

the Bond Notional Amount in the Bond Currency, each as described in paragraph “Bond(s)” above and thereafter as modified in accordance with the definition of “Bond Notional Amount” in the Additional provisions applicable to Bond Linked Notes.]

[*For Basket Bond Linked Notes:* On the Issue Date, the Bond Notional Amount in the Bond Currency described in respect of the Bonds comprised in the Reference Portfolio, all as described in paragraph “Bond(s)” above and thereafter as modified in accordance with the definition of “Bond Notional Amount” in the Additional provisions applicable to Bond Linked Notes]

(viii) Bond Events:

[*If Single Bond Linked Notes:* The Bond Event(s) as specified below] [*If Basket Bond Linked Notes:* For each Bond comprised in the Reference Portfolio, the Bond Event(s) specified below:]

[Bond Acceleration]

[Bond Default]

[Bond Early Redemption]

[Bond Governmental Intervention]

[Bond Issuer ISDA Event]

[Bond Restructuring]

[Bond Failure to Pay]

(ix) Formula to be used to determine the principal due:

[Bond Linked Notes Redeemed at Maturity/Guaranteed Bond Linked Notes/Basket Bond Linked Notes]

[*Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex*]

(x) Terms relating to Settlement:

(a) Bond Final Value: [*Fixed Recovery:* [Insert the percentage] per cent.]

[*Floating Recovery:* For each Bond, the percentage determined by the Calculation Agent as follows:

(i) the Bond Final Price;

- (ii) plus, if any, any partial or total repayment in cash of the Bond which would have been paid to the holders of the Bond under the Bond as of the Bond Final Value Determination Date as determined by the Calculation Agent, expressed as a percentage of the Bond Notional Amount;
- (iii) plus, if any, the price (expressed as a percentage of the Bond Notional Amount), calculated using a method similar to that to determine the Bond Final Price, of any securities which would have been delivered to the holders of the Bond under the Bond as of the Bond Final Value Determination Date as determined by the Calculation Agent;
- (iv) minus the Valuation Hedging Cost;
- (v) minus any amount due and payable under the Bond in accordance with the terms and conditions of the Bond as in force and effect as of the Issue Date (expressed as a percentage of the Bond Notional Amount) which is still unpaid at the Bond Final Value Determination Date, as determined by the Calculation Agent.

[The Bond Final Value is subject to a minimum of zero per cent. and to a maximum of 100 per cent.] [The Bond Final Value is subject to a minimum of zero per cent. and may be higher than one hundred per cent. (100%).]

- (b) Auction Period for the purposes of the Bond Final Price determination: [Specify number] consecutive Business Days (as defined in paragraph (xiv) below)
- (c) Bond Final Price Accrued Interest: [*In the case of Fixed Recovery*: Not Applicable] [*In the case of Floating Recovery*: [Excluding Accrued Interest] [Including Accrued Interest]]
- (d) Breakage Cost Amount: [Not Applicable: the Breakage Cost Amount will be equal to zero] [Applicable: means an amount determined by the Calculation Agent expressed in the

- Specified Currency of the Notes using the Relevant Spot Exchange Rate on the relevant calculation date(s), as determined by the Calculation Agent, equal to the fees, costs and expenses arising directly or indirectly, in connection with (i) terminating, unwinding, realizing or enforcing any repurchase transaction (if any) with the Bond as underlying asset, the purpose of which is to refinance the relevant Bond and (ii) entering into, trading or increasing any repurchase transaction (or any transaction with similar purposes) with the Collateral Assets as underlying asset, the purpose of which is to refinance the Collateral Assets. For the avoidance of doubt, the Breakage Cost Amount may be a positive amount (if to be received by the issuer or any of its Affiliates) or a negative amount (if to be paid by the Issuer or any of its Affiliates)]
- (e) Relevant Proportion: [Specify as per Condition 26.2]  
[Not Applicable] [Applicable]
- (xi) Provisions relating to Basket Bond Linked Notes [If (xi) Not Applicable, delete the remaining subparagraphs] [Specify as per Condition 26.2]
- (a) Aggregate Loss Amount: [Specify as per Condition 26.2]
- (b) Loss Amount: [Specify for the purposes of Condition 26.2]
- (c) Reference Portfolio Notional Amount: [Specify for the purposes of Condition 26.2] [For each Bond comprised in the Reference Portfolio: the percentage specified as such in paragraph “Bond(s)” below]
- (d) Reference Price: [●]
- (e) Bond Weighting: [Specify for the purposes of Condition 26.2] [For each Bond comprised in the Reference Portfolio: the proportion specified as such in paragraph “Bond(s)” below]
- (f) Interest Recovery Rate: [Fixed interest Recovery with an Interest Recovery Rate of *[Insert the percentage]* per cent.] [Floating Interest Recovery] [Not Applicable. The Notes do not bear interest.] [Not Applicable. The sub-paragraph “Accrual of Interest upon Bond Event” is specified as “Guaranteed Coupon”]
- (xii) Accrual of Interest upon Bond Event: [No Accrued Interest upon Bond Event] [Accrued Interest upon Bond Event] [Guaranteed Coupon] [*If*

- no coupon*: Not relevant. The Notes do not bear interest]
- (xiii) Notice of Publicly Available Information: [Applicable/Not Applicable]
- (xiv) Business Days (for the purposes of the Additional provisions applicable to Bond Linked Notes): [Specify for the purposes of Condition 26.2]
- (xv) Default Requirement: [Applicable/Not Applicable]  
[Specify]  
*(If not specified, Default Requirement will be USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event).*
- (xvi) Other applicable options as per the Additional provisions applicable to Bond Linked Notes: [Not Applicable] *[Specify the source of Publicly Available Information which must be used when the Public Source is different from the sources specified in the Additional provisions applicable to Bond Linked Notes] [Specify the Specified Number if such number is different from the Specified Number anticipated in the Additional provisions applicable to Bond Linked Notes] [Specify the number of Business Days which must be used in relation to the definition of First Quotation Day if such number is different from the number anticipated in the Additional provisions applicable to Bond Linked Notes]*
- (xvii) Knock-in Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to" Knock-in Level]]  
*(If not applicable, deleted the remaining subparagraph of this paragraph)*  
[In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [Specify]
- (B) Knock-in Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-in Determination Period]

- (C) Knock-in Period Beginning Date: [Not Applicable/*specify*]
- (D) Knock-in Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.] [●]
- (xviii) Knock-out Event: [Not Applicable/*specify*]/[“greater than”/“greater than or equal to”/“less than”/less than or equal to” Knock-out Level]]
- (If not applicable, deleted the remaining sub-paragraph of this paragraph)*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Level: [*Specify*]
- (B) Knock-out Determination Day(s): [Specify/Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable/*specify*]
- (D) Knock-out Period Ending Date: [Not Applicable/*specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-out Determination Day.] [●]
- (i) Rate Linked Redemption Amount: [Applicable/Not Applicable]
- (If Not Applicable, delete the remaining sub-paragraphs of this paragraph 32(i))*
- (i) Manner in which the Underlying Rate is to be determined: [Screen Rate Determination/ISDA Determination/FBF Determination]
- (ii) Screen Rate Determination [Applicable/Not Applicable]
- (If Not Applicable, delete the remaining sub-paragraphs of this sub-paragraph 32(i)(ii))*
- Relevant Financial [The financial centre most closely connected to the

- Centre: *Reference Rate*
- Reference Rate(s): *[specify relevant rate(s)]*
- Relevant Screen Page:
- (iii) ISDA Determination: *[Applicable/Not Applicable]*  
*(If Not Applicable, delete the remaining sub-paragraphs of this sub-paragraph 32(i)(iii))*
- Floating Rate Option: *[specify]*
- Designated Maturity: *[specify]*
- Reset Date:
- (iv) FBF Determination: *[Applicable/Not Applicable]*  
*(If Not Applicable, delete the remaining sub-paragraphs of this sub-paragraph 32(i)(iv))*
- Floating Rate:
- FBF Definitions: (if  different from those set out in the Conditions):
- (v) Averaging: Averaging  [applies/does not apply] to the Notes.  [The Averaging Dates are .  
 [In the event that an Averaging Date is a Disrupted Day  [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Observation Date(s):  [The Observation Date(s) is/are /Not Applicable].  
 [In the event that an Observation Date is a Disrupted Date  [Omission/Postponement/Modified Postponement] will apply.]
- (vii) Observation Period(s): *[specify/Not Applicable]*
- (viii) Rate Determination Date(s): /[Not Applicable]
- (ix) Relevant Time:



- (x) Scheduled Trading Day: [●]
- (xi) Specified Maximum Days of Disruption: [eight]/[●]  
*(if no Specific Maximum Days of Disruption are stated, Specified Maximum Days of Disruption will be equal to eight)*
- (xii) Trade Date: [●]
- (xiii) Valuation Date: [●]
- (xiv) Formula to be used to determine the principal due: [Reverse Convertible with European Barrier] / [Reverse Convertible with American Barrier] / [Generic Reverse with European Barrier] / [Generic Short Call Spread] / [Lock-In] / [Autocall with [European/American] Barrier] / [Callable Stability] / [Call] / [Bonus Certificate with [European/American] Barrier] / [Shark] / [Himalaya] / [Ladder Call Spread] / [Mountain Range]  
*[Insert formula, relevant value(s) and other related provisions (to determine the principal due) from the Technical Annex]*
- (xv) Knock-in Event: [Not Applicable / specify /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-in Level]]  
*(If not applicable, delete the remaining subparagraphs of this paragraph 32(i)(xv))*  
 [In the event that a Knock-in Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-in Level: [Specify]
- (B) Knock-in Determination Day(s): [Specify / Each Scheduled Trading Day in the Knock-in Determination Period]
- (C) Knock-in Period Beginning Date: [Not Applicable / specify]
- (D) Knock-in Period Ending Date: [Not Applicable / specify]
- (E) Knock-in Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]

- (xvi) Knock-out Event: [Not Applicable / *specify* /["greater than"/"greater than or equal to"/"less than"/"less than or equal to" the Knock-out Level]]
- (If not applicable, delete the remaining sub-paragraphs of this sub-paragraph 32(i)(xvi))*
- [In the event that a Knock-out Determination Day is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (A) Knock-out Level: [*Specify*]
- (B) Knock-out Determination Day(s): [*Specify* / Each Scheduled Trading Day in the Knock-out Determination Period]
- (C) Knock-out Period Beginning Date: [Not Applicable / *specify*]
- (D) Knock-out Period Ending Date: [Not Applicable / *specify*]
- (E) Knock-out Valuation Time: [Scheduled Closing Time]/[Any time on a Knock-in Determination Day.]/[●]
- (xvii) Automatic Early Redemption Event: [Not Applicable/specify/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"] the Automatic Early Redemption Level]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph 32(i)(xvii))*
- (A) Automatic Early Redemption Date(s): [*specify*]
- (B) Automatic Early Redemption Amount: [*specify*]
- (C) Automatic Early Redemption Level: [*specify*]
- (D) Automatic Early Redemption Rate: [*specify*]
- (E) Automatic Early Redemption Valuation Date(s): [*specify*]

### 34. Early Redemption Amount

- (a) Early Redemption Amount(s) [[●] per Calculation Amount] / [Fair Market Value]

payable on redemption for taxation reasons or on Event of Default:

(b) Early Redemption Unwind Costs [Applicable/Not Applicable]

[If Applicable:

Standard Early Redemption Unwind Costs/*insert other*]

**35. Provisions applicable to Physical Delivery:** [Applicable/Not Applicable]

*(if not applicable, delete the remaining subparagraphs of this paragraph)*

[(a) Entitlement in relation to each Note: Entitlement in relation to each Note is [*Specify*]

[(b) Relevant Asset(s): [As specified above]/The relevant asset[s] to which the Notes relate [is/are] [*specify*].

[(c) Settlement Business Day(s): [*Specify*]

**36. Variation of Settlement:**

(a) Issuer's option to vary settlement The Issuer [has/does not have] the option to vary settlement in respect of the Notes.

(b) Variation of Settlement of Physical Delivery Notes: [Notwithstanding the fact that the Notes are Physical Delivery Notes, the Issuer may make payment of the Redemption Amount on the Maturity Date and the provisions of Condition [5.7(b) of the English Law Notes]/[8.2 of the French Law Notes] will apply to the Notes./The Issuer will procure delivery of the Entitlement in respect of the Notes and the provisions of Condition [5.7(b) of the English Law Notes]/[8.2 of the French Law Notes] will not apply to the Notes.]

**37. Form of Notes:**

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes upon an Exchange Event]

[Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date]]

[Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes upon an Exchange Event]

	[Bearer dematerialised form ( <i>au porteur</i> )/ [fully/administered] Registered dematerialised form ( <i>au nominatif [pur/administré]</i> )] <sup>34</sup>
	<i>(Ensure that this is consistent with the wording in the "Form of the Notes" section in the base Prospectus and the Notes themselves. N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].")</i>
Name and address of Registration Agent: <sup>35</sup>	[Not Applicable]/[●]
New Global Note: <sup>36</sup>	[Yes/No]
<b>38. Additional Financial Centre(s):</b>	[Not Applicable/give details] <i>(Note that this paragraph relates to the place of payment)</i>
<b>39. Talons for future Coupons or Receipts to be attached to definitive Notes:</b>	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made / No]
<b>40. Provisions relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:</b>	[Not Applicable/Applicable] <i>(if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a) Instalment Amount(s):	[●]
(b) Instalment Date(s):	[●]]
<b>41. Redenomination provisions:</b>	[Not Applicable/The provisions in Condition [3 of the English Law Notes]/[5 of the French Law Notes] apply]
<b>42. Any applicable currency disruption<sup>37</sup>:</b>	[Not Applicable/As per Condition [5.8 of the English Law Notes]/[7.6 of the French Law Notes]
	[Alternate Settlement Currency: [●]]
	[Offshore CNY Centre: [●]]

<sup>34</sup> Insert as applicable where the Notes are French Law Notes.

<sup>35</sup> In relation to French Law Registered Notes only.

<sup>36</sup> You should only elect "yes" opposite "New Global Note" if you have elected "yes" to the Section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".

<sup>37</sup> RMB Notes only.

**43. Masse (Condition 15 of the Terms and Conditions of the French Law Notes)<sup>38</sup>:**

[Name and address of the Representative: [●]]

Name and address of the alternative Representative:  
[●]

[The Representative will receive no remuneration./The Representative will receive a remuneration of [●].] /

[As long as the Notes are held by a single Noteholder, and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the *Masse* by the French *Code de commerce*. A Representative shall be appointed as soon as the Notes of a Series are held by more than one Noteholder.]

**44. Governing law:**

[English law] / [French law]

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

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
Duly authorised

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<sup>38</sup> Applicable for French Law Notes only.

## PART B - OTHER INFORMATION

### 1. Listing and Admission to Trading

[Not Applicable]/[

- (a) [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listing on the official list of the Luxembourg Stock Exchange with effect from [     ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Luxembourg Stock Exchange's regulated market with effect from [     ].]/[specify other regulated market]
- (b) Estimate of total expenses related to admission to trading: [●]

### 2. Ratings

[Not Applicable]/[The Notes to be issued [have been][are expected to be] rated [●] by [S&P Global Ratings Europe Limited/Moody's Investors Service Ltd/Fitch Ratings Limited *and associated defined terms*]. Each such credit rating agency is established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the **CRA Regulation**). [As such, each of [*the rating agencies*] is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. *Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

### 3. Notification

[The *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purpose of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues*] the competent authorities of France, Germany and United Kingdom with a certificate of approval attesting that the Base Prospectus [and the supplement(s)] [has]/[have] been drawn up in accordance with the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg.] / [Not Applicable.]

### 4. Interests of Natural and Legal Persons Involved in the Issue

*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

[Not Applicable]/[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue or offer of the Notes has an interest material to the issue or offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

**5. Reasons for the Offer[, Estimated Net Proceeds and Total Expenses]<sup>39</sup>**

(a) Reasons for the offer /[Not Applicable]

*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(b) [Estimated net proceeds:

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.)*

(c) Estimated total expenses:  [Include breakdown of expenses]<sup>40</sup>

*(N.B.: if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (a), disclosure of such net proceeds and total expenses at (b) and (c) above are also required.)*

**6. Fixed Rate Notes only – Yield**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub- paragraph of this paragraph)*

Indication of yield:

**7. Floating Rate Notes only- Historic Interest Rates**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub- paragraph of this paragraph)*

[Details of historic [LIBOR/EURIBOR/CMS/EONIA/TEC] rates can be obtained from [Reuters].]<sup>41</sup>

**8. Performance of Index/ Reference Entity/ Credit Index/ Equity/ Exchange Rate/ Commodity/ Fund / Interest Rate, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying**

[Applicable/Not Applicable]

*(If not applicable, delete the remaining sub- paragraphs of this paragraph)*

<sup>39</sup> If the Notes are derivatives securities to which Annex XII of the Prospectus Regulation applies, disclosure in respect of Estimated Net Proceeds and Total Expenses is only required if reasons for the offer are disclosed.

<sup>40</sup> Not compulsory for debt securities with a denomination per unit of at least EUR 100,000.

<sup>41</sup> Not compulsory for debt securities with a denomination per unit of at least EUR 100,000.

*[Need to include details of where past and future performance and volatility of the index /reference entity/credit index/equity/inflation/exchange rate/commodity/fund can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

- [Name of the Issuer of the underlying security: [●]
- ISIN Code of the underlying: [●]
- Index Name: [●]
- Underlying Interest Rate: [●]
- Exercise price or final reference price of the underlying: [●]
- Relevant weightings of each underlying on the basket: [●]
- Source of information relating to the [index/indices]: [●]
- Place where information to the [index/indices] can be obtained: [●]
- Expiration/Maturity date of derivative securities [●]
- Exercise date or final reference date [●]

*(Where the underlying is not an index need to include equivalent information. Where the underlying is a security need to include the name of the issuer of the security and the ISIN or equivalent identification number. Where the underlying is a basket of underlying, need to include the relevant weightings of each underlying in the basket.)*

## 9. Underlying Disclaimer<sup>42</sup>

[For use in connection with credit index and Indices (including Inflation Indices)]

[Not Applicable]

[The issue of this series of Notes (in this paragraph, the **Transaction**) is not sponsored, endorsed, sold, or promoted by [NAME OF INDEX] (the **Index**) or [NAME OF INDEX SPONSOR] (the **Index Sponsor**) and the Index Sponsor [makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any Transaction. The Issuer shall not have any liability for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it

<sup>42</sup> Include for Index Notes (including Inflation Linked Notes).



believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

[●]

## 10. Operational Information

- (a) ISIN Code: [ ]
- (b) Common Code: [ ]
- (c) Any clearing system(s) other than [Euroclear France]<sup>43</sup>, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]
- (d) Deemed delivery of clearing system notices for the purposes of Condition [13 of the English Law Notes]/[14 of the French Law Notes]: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to [Euroclear and Clearstream, Luxembourg] for English Law Notes)/[Euroclear France (for French Law Notes)].
- (e) Delivery: Delivery [against/free of] payment
- (f) Names and addresses of additional Paying Agent(s) (if any): [ ] [Not Applicable]
- (g) Calculation Agent: [ ] [Not Applicable]
- (h) Intended to be held in a manner which would allow Euro system eligibility<sup>44</sup>: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /  
[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting

<sup>43</sup> In relation to French Law Notes only.

<sup>44</sup> See Part A - "Form of Notes - New Global Note".

*them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at anytime during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]<sup>45</sup>*

## 11. Distribution

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/give names]
- (If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (c) Date of [Subscription] Agreement: [ ]
- (d) Stabilising Manager(s) (if any): [Not Applicable/give name]
- (e) If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
- (f) Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
- (g) U.S. Selling Restrictions: [TEFRA D/TEFRA C/TEFRA not applicable]
- (h) United States Tax Considerations: [The Notes are [not] Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. *(Include the following wording if the Notes are Specified Notes)*[Additional information regarding the application of Section 871(m) to the Notes will be available from [give name(s) and address(es) of Issuer contact].]]/

[As at the date of these Final Terms, the Issuer has not determined whether the Notes are Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986; however, indicatively it considers that they will [not] be Specified Notes for these purposes. This

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<sup>45</sup> Not applicable to French Law Notes.

is indicative information only subject to change and if the Issuer’s final determination is different then it will give notice of such determination. Please contact [name(s) and address(es) of Issuer contact] for further information regarding the application of Section 871(m) to the Notes.]<sup>46</sup> *(The Notes will not be Specified Notes if they (i) are issued prior to 1 January 2021 and are not “delta-one” for U.S. tax purposes or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities and (i) are issued prior to January 1, 2021 and provide a return that does not differ significantly from the return on an investment in the underlying, or (ii) are issued on or after January 1, 2021, further analysis would be required.)*

- (i) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

*(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products, “Applicable” should be specified.)*

- (j) EU Benchmark Regulation: Article 29(2) statement on benchmarks: [Not Applicable]

[Applicable: Amounts payable under the Notes are calculated by reference to [insert name[s] of benchmark(s)], which [is/are] provided by [insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark].

As at the date of the Base Prospectus, [insert name[s] of the administrator[s]] [is/are] [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).]

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<sup>46</sup> This formulation to be used if the Issuer has not made a determination regarding whether the Notes are Specified Notes as of the date of the Final Terms.

**ANNEX 1**

**ANNEX FOR CREDIT LINKED NOTES**

*(Insert the following table if “Type of Notes” is “Credit Linked” and there is more than one Reference Entity, and add as many lines as necessary)*

<b>Reference Entities</b>	<b>Reference Obligation</b>	<b>Transaction Type</b>
[[●] or any Successor thereto]	[(only if Part A – 2009 ISDA Credit Derivatives Definitions apply) [●]/Not Applicable] / [(only if Part B – 2014 ISDA Credit Derivatives Definitions apply) Standard Reference Obligation: [Applicable: [Seniority Level: Senior Level / Subordinated Level / As set out in the Conditions] / Not applicable: <i>specify the Non-Standard Reference Obligation</i> ]]	[specify]
[...]	[...]	[...]

## TERMS AND CONDITIONS OF THE FRENCH LAW NOTES

*The following are the Terms and Conditions of the French Law Notes (the **Notes**) to be issued by Crédit Industriel et Commercial (the **Issuer**). The applicable Final Terms in relation to any Tranche of Notes will complete the following Terms and Conditions.*

A French law agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the **French Law Agency Agreement**) dated 26 June 2019 and made between the Issuer, BNP Paribas Securities Services as principal paying agent (the **Agent**, which expression shall include any successor agent), BNP Paribas Securities Services, Banque de Luxembourg or Crédit Industriel et Commercial as calculation agent (the **Calculation Agent**, which expression shall include (i) such other person appointed as calculation agent pursuant to a calculation agency agreement and (ii) any additional or successor calculation 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) organises the service of payment and calculation in relation to the Notes.

The final terms for this Note (or the relevant provisions thereof) are set out in the Final Terms which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof).

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall be construed as provided below.

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

If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes 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 are deemed to have notice of, and are entitled to the benefit of, all the provisions of the French Law Agency Agreement and the applicable Final Terms which are applicable to them.

### 1. FORM AND DENOMINATION

The Notes are issued in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. This Note is, to the extent specified in the applicable Final Terms, a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a Note linked to the underlying reference asset(s) (an **Underlying Reference(s)**) specified in the applicable Final Terms such as a Credit Linked Note, an Index Linked Note, an Equity Linked Note, an Inflation Linked Note, a Currency Linked Note, a Commodity Linked Note, a Fund Linked Note, a Bond Linked Note, a Rate Linked Note or any appropriate combination thereof.

The Index Linked Notes, the Inflation Linked Notes, the Currency Linked Note, the Commodity Linked Notes, the Fund Linked Notes, the Bond Linked Notes and the Rate Linked Notes are Cash Settled Notes. In the case of any Equity Linked Notes or Credit Linked Notes the applicable Final Terms will specify whether the Notes are **Cash Settled Notes** or Physical Delivery Notes. Save as otherwise specified in the applicable Final Terms, Cash Settled Notes will be redeemed by the payment to the Noteholders of such amount as is specified in the applicable Final Terms and

**Physical Delivery Notes** will be redeemed by the delivery of the Relevant Asset(s) specified in the applicable Final Terms. Such Relevant Asset(s) shall not contain any share of the Issuer or of any consolidated subsidiary of the Issuer.

### 1.1 Form of Notes

The Notes are issued, as specified in the relevant Final Terms, in (i) bearer dematerialised form (*au porteur*) only, in which case they are inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of Euroclear France Account Holders (as defined below), in (ii) registered dematerialised form (*au nominatif*) only and, in such case, at the option of the relevant Noteholder, (a) in administered registered dematerialised form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Euroclear France Account Holders designated by the relevant Noteholders or in (b) fully registered dematerialised form (*au nominatif pur*) inscribed in an account maintained by the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the **Registration Agent**).

For the purpose of these Conditions, **Euroclear France Account Holder** means any authorised intermediary institution entitled to hold directly or indirectly accounts on behalf of its customers with Euroclear France, and includes Euroclear and Clearstream, Luxembourg.

The Notes shall constitute *obligations* within the meaning of Article L. 213-5 of the French *Code monétaire et financier*.

### 1.2 Denomination

Notes shall be issued in the specified denomination as set out in the relevant Final Terms (the **Specified Denomination**). The Notes shall be issued in one Specified Denomination only.

### 1.3 Conversion and exchanges of notes

- (a) Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (b) Notes initially issued in registered form (*au nominatif*) only may not be converted into Notes in bearer dematerialised form (*au porteur*).
- (c) Notes issued in fully registered dematerialised form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered dematerialised form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

## 2. TITLE

- (a) Title to the Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. Title to Notes issued in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Euroclear France Account Holders. Title to Notes issued in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such

Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.

- (b) In these Conditions, holder of Notes or holder of any Note or Noteholder means the person whose name appears in the account of the relevant Euroclear France Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes.

### 3. STATUS OF THE NOTES

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations (described in Article L. 613-30-3-I-3° of the French *Code monétaire et financier*) of the Issuer and shall at all times rank *pari passu* without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

### 4. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding, the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that the Issuer's obligations under the Notes either:

- (a) are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) have the benefit of such other Security Interest, guarantee, indemnity or other arrangement (whether or not it includes the giving of a Security Interest) as shall be approved by an Extraordinary Resolution of the Noteholders.

For the purposes of this Condition 4, **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which (with the consent of the issuer of the indebtedness) are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

### 5. REDENOMINATION

#### 5.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders on giving prior notice to the Agent and Euroclear France and at least 30 days' prior notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer

determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;

- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes held for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) the payment obligations contained in any Notes issued prior to the Redenomination Date will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (d) after the Redenomination Date, all payments in respect of the Notes other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee;
- (e) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on a Fixed Interest Date, it will be calculated by applying the Rate of Interest to the Calculation Amount, and multiplying such sum 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;
- (f) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (g) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

## 5.2 Definitions

In these Conditions, the following expressions have the following meanings:

**Established Rate** means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

**Euro** or **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

**Redenomination Date** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the



date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

**Treaty** means the Treaty on the Functioning of the European Union, as amended.

## 6. INTEREST

The applicable Final Terms will indicate whether the Notes are (i) Fixed Rate Notes, (ii) Floating Rate Notes, (iii) Fixed to Floating Rate Notes, (iv) Zero Coupon Notes or (v) Notes linked to an underlying reference asset(s) such as Credit Linked Notes, Index Linked Notes, Fund Linked Notes, Equity Linked Notes, Inflation Linked Notes, Currency Linked Notes, Commodity Linked Notes, Bond Linked Notes or any combination thereof.

### 6.1 Interest on Fixed Rate Notes

This Condition 6.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest. Interest will be payable in arrear or in advance as specified in the applicable Final Terms on the Interest Payment Date(s) up to (and including) the Maturity Date.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period such interest shall be calculated by applying the Rate of Interest to the Calculation Amount and multiplying such sum 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.

The Calculation Agent will cause the amount of interest payable per Calculation Amount for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Calculation Amount and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest per Calculation Amount shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Calculation Amount so calculated need be made.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

- (a) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:

- (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
  - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if **30/360** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (c) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365; and
- (d) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360.

In the Conditions:

**Determination Period** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

**Reference Banks** means five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate (which, if EURIBOR is the relevant Reference Rate, shall be the Eurozone); and

**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.

## 6.2 Interest on variable interest Notes

This Condition 6.2 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 6.2 for full information on the manner in which interest is calculated on Floating

Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination, FBF Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Calculation Agent, the Margin, any maximum or minimum interest rates, the Day Count Fraction and any formula that applies the calculation of interest. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity, Reset Date and any applicable multiplier or leverage factor (a **Leverage**). Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

(a) Interest Payment Dates

Unless otherwise specified in the applicable Final Terms, each Floating Rate Note or other Note which is subject to a variable rate of interest (any such Note or Floating Rate Note, a **Variable Interest Note**), bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear or in advance as specified in the applicable Final Terms on either:

- (i) the Specified Interest Payment Date(s) specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls on the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

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

- (A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions and unless otherwise specified, **Business Day** means a day which is both:

- I. a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System (the **TARGET2 System**) is open (a **TARGET2 Business Day**) and 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 each Additional Business Centre specified in the applicable Final Terms; and
- II. 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 (which if the Specified Currency is Australian dollars or New Zealand dollars or Renminbi shall be Sydney, Auckland and Hong Kong, Beijing and the Offshore CNY Centre, respectively) or (ii) in relation to any sum payable in euro, **TARGET2 Business Day**.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Variable Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent 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 Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (i), **Floating Rate, Floating Rate Option, Designated Maturity and Reset Date** have the meanings given to those terms in the ISDA Definitions. A copy of the ISDA Definitions may be obtained from the Issuer.

(ii) FBF Determination

(A) Where FBF Determination is specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the **FBF Rate**) and in such amounts, plus or minus the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to transactions on forward financial instruments incorporating the FBF Definitions (a **FBF Agreement**), as in effect on the date of issue of the Notes, published by the *Fédération Bancaire Française* (the **FBF**) and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Note under which:

- I. the Issuer was the Floating Amount Payer;
- II. the Agent (as defined herein) was the Agent (as defined in the FBF Agreement) or as otherwise specified in the applicable Final Terms;
- III. the Interest Commencement Date was the Transaction Date;
- IV. the lowest Specified Denomination was the Notional Amount;
- V. the Interest Payment Dates were the Floating Amount Payment Dates; and
- VI. all other terms were as specified in the applicable Final Terms.

**FBF Definitions** means the definitions set out in the FBF Master Agreement (a copy of which may be obtained free of charge on the FBF website at <http://www.fbf.fr/en/banking-issues/agreements-and-conventions/xbf-master-agreement-relating-to-transactions-on-forward-financial-instruments>), unless otherwise specified in the relevant Final Terms.

(B) When paragraph (A) above applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Conditions as though determined under paragraph (d) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Agent in accordance with paragraph (A) above; and
- III. the Agent will be deemed to have discharged its obligations under paragraph (d) below if it has determined the Rate of Interest and the

Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(iii) Screen Rate Determination

(A) Where Screen Rate Determination is specified in the applicable Final 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 or (if applicable) to Condition 6.2(b)(iv) (Benchmark discontinuation) below, be either:

I. the offered quotation; or

II. 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(s) which appears or appear, as the case may be, on the Screen Page at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(B) In the event that the 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 Rate of Interest shall be the arithmetic mean of the offered quotation for the Reference Rate(s) provided by each of the Reference Banks at the Specified Time on the Interest Determination Date, as determined by the Calculation Agent.

(C) If fewer than two of such banks are quoting to leading banks in the Relevant Financial Centre, the Interest Rate shall (unless otherwise specified) be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Period and to the relevant Interest Period).

(iv) Benchmark discontinuation

This Condition 6.2(b)(iv) applies only if “*Benchmark Replacement*” is specified to be “Applicable” in the applicable Final Terms. For the avoidance of doubt, if “*Benchmark Replacement*” is specified to be “Not Applicable” in the applicable Final Terms, if a Benchmark Event occurs, then the other fallbacks specified in Condition 6.2(b) shall apply in accordance with their terms.

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any remaining rate of interest (or any component part thereof) to be determined by reference to such

Original Reference Rate, then the following provisions shall apply and shall prevail over other fallbacks specified in Condition 6.2(b).

(A) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6.2(b)(iv)(B)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 6.2(b)(iv)(C)) and any Benchmark Amendments (in accordance with Condition 6.2(b)(iv)(D)).

An Independent Adviser appointed pursuant to this Condition 6.2(b)(iv) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the Noteholders for any determination made by it pursuant to this Condition 6.2(b)(iv).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith that:

- I. there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6.2(b)(iv)(D)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 6.2(b)(iv)); or
- II. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6.2(b)(iv)(D)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 6.2(b)(iv)).

(C) Adjustment Spread

If the Independent Adviser, determines in good faith (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(D) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6.2(b)(iv) and the Independent Adviser

determines in good faith (i) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days, or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 6.2(b)(iv)(E), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 6.2(b)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 14, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6.2(b)(iv). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(F) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Terms and Conditions will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 6.2(b)(iv), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 6.2(b)(iv) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the other fallbacks specified in Condition 6.2(b), will continue to apply in accordance with their terms).

(G) Definitions

In this Condition 6.2(b)(iv):

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either



case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- I. in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- II. in the case of an Alternative Rate (or in the case of a Successor Rate where I. above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- III. if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate;

**Alternative Rate** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 6.2(b)(iv) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

**Benchmark Event** means, with respect to an Original Reference Rate:

- I. the Original Reference Rate ceasing to exist or be published;
- II. the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i);
- III. the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- IV. the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i);

- V. the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months;
- VI. it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or
- VII. that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation (Regulation (EU) 2016/1011) of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted;

**Independent Adviser** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 6.2(b)(iv)(A);

**Original Reference Rate** means the Reference Rate, benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes;

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- I. the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- II. any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body, and if, following a Benchmark Event, two or more successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser, shall determine which of those successor or replacement rates is most appropriate, having regard to, *inter*

*alia*, the particular features of the relevant Notes and the nature of the Issuer.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

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

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

(d) Determination of Rate of Interest and calculation of Interest Amount

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

Save as otherwise specified in the applicable Final Terms, or in circumstances where FBF Determination is applicable, the Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable in respect of Variable Interest Notes for the relevant Interest Period by applying the Rate of Interest to the Calculation Amount and multiplying such sum 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.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

- (i) if **Actual/365** or **Actual/Actual** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if **Actual/365 – FBF** is specified in the applicable Final Terms, the fraction whose numerator is the actual number of days elapsed during the Interest Period and whose denominator is 365. If part of the Interest period falls in a leap year, **Actual/365 – FBF** shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366;
- (iii) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (v) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if **30/360, 360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vii) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(e) Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Variable Interest Notes are for the time being listed (by no later than the first day of each Interest Period or if that is impracticable, as soon as reasonably practicable upon the determination of such Rate of Interest and Interest Amount). Each Interest Amount and Interest Payment Date 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.

(f) 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 6, by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents, and all Noteholders, and (in the absence of wilful default, fraud or bad faith) no liability to the Issuer and the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### 6.3 Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

### 6.4 Interest on Fixed or Floating or Zero Coupon/Structured Notes

Fixed or Floating or Zero Coupon/Structured Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate or Floating Rate or Zero

Coupon to a rate linked to an Underlying Reference, or from a rate linked to an Underlying Reference as specified in the Final Terms and determined in accordance with the Technical Annex to a Fixed or Floating Rate or Zero Coupon or (ii) that will automatically change from a Fixed or Floating Rate or Zero Coupon to a rate linked to an Underlying Reference or from a rate linked to an Underlying Reference to a Fixed or Floating Rate or Zero Coupon on the date set out in the Final Terms.

## **6.5 Interest on Combined Notes**

The Interest Rate of Combined Notes is a combination of several Interest Rates during the lifetime of the Notes between a Fixed Rate and/or a Floating Rate and/or a Zero Coupon and/or a rate linked to an Underlying Reference as specified in the Final Terms and determined in accordance with the Technical Annex (i) that the Issuer may elect to convert on the date set out in the Final Terms or (ii) that will automatically change on the date set out in the Final Terms.

## **6.6 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 for its redemption unless payment of principal (and/or delivery of the Physical Delivery Amount (if applicable)) is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) 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 and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## **6.7 Formulae for the calculation of interest**

Interest on the Notes will be determined in accordance with the formulae set out in the Technical Annex if specified in the applicable Final Terms. The applicable Day Count Fraction will be as defined in Conditions 6.1 and 6.2 above.

# **7. PAYMENTS**

## **7.1 Method of payment**

Subject as provided below:

- (a) 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 a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi, shall be Sydney, Auckland and the Offshore CNY Centre, respectively); and
- (b) 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.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10, (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 (without prejudice to the provisions of Condition 10) any law implementing an intergovernmental approach thereto and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code (**871(m) Withholding**). In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any “dividend equivalent” (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

Payments on the Notes that reference U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

## **7.2 Payments in respect of Notes**

Payments of principal and interest in respect of the Notes shall (in the case of Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Notes in fully registered form), to an account denominated in the relevant currency with a bank designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

## **7.3 Appointment of Agents**

The Agent, the Paying Agent, the Calculation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus relating to the Programme of the Notes of the Issuer. The Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each such case, do not assume any obligation or relationship of agency for any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent, any other Paying Agent, Registration Agent or Calculation Agent and to appoint other Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities provided that (A) so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent in Luxembourg, and (B) so long as the Notes are admitted to trading on Euronext Paris and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent allowed to provide in France services relating to issues of securities within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions, (v) in the case of dematerialised Notes in fully registered form, a Registration Agent, and (vi) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed and admitted to trading.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14.

#### **7.4 Payment Day**

If the date for payment of any amount in respect of any Note or interest is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 11) is a day on which:

- (a) Euroclear France is opened for business;
- (b) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Financial Centre specified in the applicable Final Terms; and
- (c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland and Hong Kong, Beijing and the Offshore CNY Centre, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

#### **7.5 Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 10;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 9.7); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10.

Any reference in this Condition 7 to payment or repayment (as the case may be) of principal and/or interest and other similar expressions shall, where the context so admits, be deemed to refer also to delivery of any Asset Amount relating to Physical Delivery Notes.

#### **7.6 Payment in Alternate Settlement Currency**

Notwithstanding any other provision in these Conditions, if the Calculation Agent determines, in its sole and absolute discretion, that a CNY Disruption Event has occurred or is likely to occur and that such CNY Disruption Event is material in relation to the Issuer's payment obligations under the

Notes in respect of any forthcoming payment dates (each date, an **Affected Payment Date**), then the Issuer may, in its sole and absolute discretion, determine to take any one or more of the following actions:

- (a) the relevant payment by the Issuer shall be postponed to 15 Business Days after the date on which the CNY Disruption Event ceases to exist or, if that would not be possible (as determined by the Issuer acting in good faith), as soon as reasonably practicable thereafter;
- (b) that the Issuer's obligations to payment in CNY under the terms of the Notes be replaced by an obligation to pay such amount in the Alternate Settlement Currency as specified in the Final Terms (converted at the Alternate Settlement Rate as determined by the Calculation Agent as of a time selected in good faith by the Calculation Agent); and
- (c) that the Notes be redeemed in full and not in part and each Note being redeemed at its Early Redemption Amount as specified in the applicable Final Terms.

Any payments, either in CNY or in the Alternate Settlement Currency, made by the Issuer with respect to its obligations relating to any Affected Payment Date shall be full and final settlement of its obligations to pay such amounts under the Notes.

For the avoidance of doubt, no amount of interest shall be payable in respect of any delay in payment of any amounts due to the adjustment of any Affected Payment Date.

Payments of the relevant principal or interest in respect of the Notes in the Alternate Settlement Currency shall be made by transfer to the account denominated in the Alternate Settlement Currency of the relevant Account Holders for the benefit of the Noteholders and (in the case of Notes in fully registered form) to an account denominated in the Alternate Settlement Currency with a bank designated by the Noteholders. For the avoidance of doubt, no such payment in the Alternate Settlement Currency shall by itself constitute a default in payment within the meaning of Condition 12.

Upon the occurrence of a CNY Disruption Event, the Issuer shall give notice, as soon as practicable in accordance with Condition 14, to the Noteholders stating the occurrence of the CNY Disruption Event and of the action proposed to be taken in relation thereto.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7.6 by the Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

For the purposes of this Condition 7:

**Alternate Settlement Currency** means the currency specified as such in the applicable Final Terms;

**Alternate Settlement Rate** means the spot exchange rate between CNY and the Alternate Settlement Currency determined by the Calculation Agent, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the CNY non-deliverable market outside the PRC and/or the CNY exchange market inside the PRC);

**CNY** means the lawful currency of PRC (including any lawful successor currency to the CNY);

**CNY Disruption Event** means any one of CNY Illiquidity, CNY Inconvertibility and CNY Non-Transferability;



**CNY Illiquidity** means the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer and/or any of its affiliates to obtain a firm quote in respect of any amounts of CNY as may be required to be paid by the Issuer under the Notes on any payment date or such other amount as may be determined by the Calculation Agent in its sole and absolute discretion, either in one transaction or a commercially reasonable number of transactions in the general CNY exchange market in each Offshore CNY Centre in order to perform its obligations under the Notes. For the avoidance of doubt, the inability for the Issuer and/or any of its affiliates to obtain such firm quote solely due to issues relating to its creditworthiness shall not constitute CNY Illiquidity;

**CNY Inconvertibility** means the occurrence of any event that makes it impossible (where it had previously been possible), impracticable or illegal for the Issuer and/or any of its affiliates to convert any amounts into or from CNY as may be required to be paid by the Issuer under the Notes on any payment date or such other amount as may be determined by the Calculation Agent in its sole and absolute discretion at the general CNY exchange market in each Offshore CNY Centre other than where such impossibility, impracticability or illegality is due solely to the failure of that party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant Series of Notes and it is impossible for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer or the relevant affiliate, to comply with such law, rule or regulation);

**CNY Non-Transferability** means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to transfer CNY (i) between accounts inside an Offshore CNY Centre, (ii) from an account inside an Offshore CNY Centre to an account outside such Offshore CNY Centre and outside the PRC, or (iii) from an account outside an Offshore CNY Centre and outside the PRC to an account inside such Offshore CNY Centre, other than where such impossibility, impracticability or illegality is due solely to the failure of the Issuer and/or the relevant affiliate to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer and/or the relevant affiliate, to comply with such law, rule or regulation);

**Governmental Authority** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the PRC and each Offshore CNY Centre;

**Offshore CNY Centre** means any offshore financial centre outside of PRC where PBOC had established its Renminbi clearing and settlement system for participating banks in that centre and specified in the Final Terms. If no Offshore CNY Centre is specified in the relevant Final Terms, the Offshore CNY Centre shall mean Hong Kong only;

**PBOC** means the People's Bank of China; and

**PRC** means the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan).

For the avoidance of doubt, references to "general CNY exchange market in each Offshore CNY Centre" in the definitions of CNY Illiquidity and CNY Inconvertibility refer to purchase, sale, lending or borrowing in CNY for general purposes (including, but not limited to, funding) and therefore any purchase or sale of CNY where such CNY is required by relevant laws or regulations for the settlement of any cross-border trade transaction with any entity in the PRC, or any purchase

or sale of CNY for personal customers residing in such Offshore CNY Centre, would not be purchase or sale made on the general CNY exchange market.

## 8. PHYSICAL DELIVERY NOTES

### 8.1 Physical Delivery

#### (a) Asset Transfer Notices

In relation to Physical Delivery Notes, in order to obtain delivery of the Asset Amount(s) in respect of any Note, the relevant Noteholder must arrange for the Euroclear France Account Holder through which its Notes are held to (i) deliver on its behalf to the Agent with a copy to any entity appointed by the Issuer to deliver the Asset Amount on its behalf no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the French Law Agency Agreement and (ii) simultaneously transfer the relevant Notes to the Euroclear France account of the Principal Paying Agent.

For the purposes of this Condition:

**Asset Amount** means the amount of Relevant Asset relating to each Note as set out in the Final Terms;

**Asset Transfer Notice** means asset transfer notice in the form set out in the French Law Agency Agreement duly completed in accordance with the provisions of this Condition;

**Cut-off Date** means the date falling three Business Days prior to the Delivery Date; and

**Relevant Asset** means the Reference Underlying defined as such in the applicable Final Terms.

**Copies of the Asset Transfer Notice** may be obtained during normal business hours from the specified office of any Paying Agent.

The Asset Transfer Notice shall:

- (A) specify the name and address of the relevant Noteholder and the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Final Terms;
- (B) confirm the irrevocable instruction given to the Euroclear France Account Holder through which the relevant Notes are held to immediately transfer such Notes to the Euroclear France account of the Agent;
- (C) include an undertaking to pay all Delivery Expenses;
- (D) specify an account to which dividends (if any) payable pursuant to this Condition 8 or any other cash amounts specified in the applicable Final Terms are being payable are to be paid;
- (E) certify that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or

other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;

- (F) authorise the production of such notice in any applicable administrative or legal proceedings,

For the purposes of this Condition, **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.

- (b) Verification of the Holder

Upon receipt of an Asset Transfer Notice and the relevant Notes into its Euroclear France account, the Agent will inform the Issuer thereof.

- (c) Determinations and Delivery

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

If any Asset Transfer Notice deemed null and void in accordance with the foregoing paragraph is subsequently corrected to the satisfaction of the Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such corrected Asset Transfer Notice was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the Agent. The Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided below on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the **Delivery Date**), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System (with a copy to the Agent), as provided above on or prior to the Cut-Off Date.

If a Noteholder fails to have an Asset Transfer Notice given, on its behalf as provided herein with a copy to the Agent, on or prior to the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date, as defined in the Final Terms (in which case, such date of delivery shall be deemed the Delivery Date) at the risk of such Noteholder in the manner provided below. In such circumstances the relevant Noteholder shall not be entitled to any payment, whether of interest or otherwise, and the Issuer shall have no liability whatsoever, as a result of the Delivery Date falling after the Maturity Date.

The Issuer shall, at the relevant Noteholder's risk, deliver or procure the delivery of the Asset Amount relating to each Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole and absolute discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice. 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 Noteholder.

(d) General

Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Asset Amount in respect of such Notes, provided that, the aggregate Asset Amount in respect of the same Noteholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a share certificate all dividends on the relevant shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Noteholder will be paid to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Condition 8.1(a).

For such period of time after delivery of the Asset Amount as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Asset Amount (the **Intervening Period**), none of the Issuer, the Calculation Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder 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, (ii) be under any obligation to exercise or procure the exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner during such Intervening Period of such securities or obligations.

(e) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable Final Terms, or such other commercially reasonable manner as the Calculation Agent has determined, is impracticable because a Settlement Disruption Event (as defined below) has occurred and is continuing on the Delivery Date, then it shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 and the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Note by delivering the Asset Amount using such other commercially reasonable manner as it may select and, in such event, the Delivery Date shall be such day as the Issuer deems appropriate (acting in a commercially reasonable manner). Noteholders shall not be entitled to any payment, whether on account of interest or otherwise, and the Issuer shall have no liability whatsoever, as a result of the Delivery Date being postponed due to the occurrence of a Settlement Disruption Event.

Where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets unaffected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of part of the Asset Amount is impracticable by reason of a Settlement Disruption Event, then in lieu of physical delivery of the affected Relevant Asset(s), and notwithstanding any other provision hereof, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the affected portion of the relevant Note(s) by paying the relevant Noteholder(s), the Disruption Cash Redemption Amount (as defined

below) on the fifth Business Day following the date on which Noteholders are notified in accordance with Condition 14 of (i) such election having been made and (ii) the manner in which the Issuer intends to pay the Disruption Cash Redemption Amount.

For the purposes of this Condition:

**Disruption Cash Redemption Amount** shall be, in respect of any Note, the fair market value of such Note (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets included in the Asset Amount and such unaffected Relevant Assets have been duly delivered as provided above, the value of such unaffected and delivered Relevant Assets), less the cost to the Issuer of unwinding any related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion;

**Settlement Business Day**, in respect of each Note, has the meaning specified in the applicable Final Terms relating to such Note; and

**Settlement Disruption Event** means an event that is beyond the control of the Issuer, including illiquidity in the market for the Relevant Assets as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms, all as determined by the Calculation Agent.

## **8.2 Variation of Settlement**

If so specified in the applicable Final Terms, the Issuer may, in its sole and absolute discretion, elect (i) to deliver or procure delivery on the Maturity Date of the Asset Amount relating to each Note in lieu of its obligation to pay Noteholders the Redemption Amount or (ii) to pay Noteholders the Redemption Amount on the Maturity Date in lieu of its obligation to deliver or procure delivery of the Asset Amount. Notification of any such election will be given to Noteholders in accordance with Condition 14.

## **8.3 Rights of Noteholders and Calculations**

None of the Issuer, the Calculation Agent or any of the Paying Agents shall have any responsibility for any errors or omissions in committed in connection with any of the calculations or determinations contemplated in Conditions 7 and 8.

The purchase of Notes linked to one or more Relevant Assets does not confer on holders of such Notes any rights (whether in respect of voting, distributions or otherwise) in connection with the applicable Relevant Asset(s).

## **9. REDEMPTION AND PURCHASE**

### **9.1 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 (or, in the case of Physical Delivery Notes, by delivery of the Asset Amount) as specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms. The Final Redemption Amount which shall be either (a) a fixed amount determined solely by the Issuer at the date of the applicable Final Terms and shall be at least equal to the nominal amount of the Notes or (b) calculated in accordance with the formulas provided in the Technical Annex.

## 9.2 Redemption for tax reasons

Subject to Condition 9.7, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Variable Interest Note) or on any Interest Payment Date (if this Note is a Variable Interest Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10 as a result of any change in, or amendment to, the laws or regulations of France or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of this Base Prospectus; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts.

Notes redeemed pursuant to this Condition 9.2 will be redeemed at their Early Redemption Amount referred to in Condition 9.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

## 9.3 Special Tax Redemption

If the Issuer would, on the occasion of the next payment of principal or interest in respect of the Notes, be prevented by the laws of France from causing payment to be made to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 10, then the Issuer shall forthwith give notice of such fact to the Agent and the Issuer shall, upon giving not less than seven nor more than 45 days' prior notice to the Noteholders in accordance with Condition 14, forthwith redeem all, but not some only, of the Notes at their Early Redemption Amount, together, if appropriate, with accrued interest, on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice to Noteholders shall be the later of:

- (a) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes; and
- (b) 14 days after giving notice to the Agent as aforesaid.

## 9.4 Redemption at the option of the Issuer (Issuer Call)

This Condition 9.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 9.4 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period and not more than the maximum period specified in the applicable Final Terms to the Agent and the Noteholders in accordance with Condition 14 (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 Early Redemption Date and at the Early Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Early Redemption Date. Unless otherwise specified in the applicable Final Terms, the **Early Redemption Date** (being the date on which the Noteholders will receive the Early Redemption Amount) will be seven (7) Business Days in Luxembourg following the date on which notice is deemed to have been given to the Noteholders in accordance with this paragraph and Condition 14.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of the Notes, the redemption shall be effected by reducing the nominal amount of all Notes in a Series in proportion to the aggregate nominal amount redeemed.

## **9.5 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than fifteen (15) nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final 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. In addition, an amount equal to the Early Reduction Fees may be deducted from the Optional redemption Amount if so specified in the applicable Final Terms. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, (i) deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, 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 the Registration Agent, as the case may be, (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, (ii) transfer, or cause to be transferred, the Notes to be redeemed to the account of the Paying Agent specified in the Put Notice. Any Put Notice given by a holder of any Note pursuant to this Condition 9.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is 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 9.5 and instead to declare such Note forthwith due and payable pursuant to Condition 12.

## **9.6 Early Redemption upon the crossing of a Coupon threshold**

If Condition 9.6(a) or 9.6(b) below is specified as being applicable in the applicable Final Terms:

- (a) if on an Interest Payment Date the sum of the Coupons (in percentage of the Specified Denomination) paid since the Threshold Observation Start Date (specified in the applicable Final Terms) at least equals a Threshold Percentage of the Specified Denomination (specified in the applicable Final Terms), the Notes will be early redeemed at a Threshold Redemption Amount (specified in the applicable Final Terms), on this Interest Payment Date, such date will be deemed to be the Threshold Redemption Date.
- (b) if on any date during the lifetime of the Notes the sum of the Coupons plus the accrued interests (in percentage of the Specified Denomination) paid or accrued since the Threshold Observation Start Date (specified in the applicable Final Terms) equals a Threshold

Percentage of the Specified Denomination (specified in the applicable Final Terms), the Notes will be early redeemed at a Threshold Redemption Amount (specified in the applicable Final Terms), on the Threshold Redemption Date, being the next Interest Payment Date after the crossing of the Threshold Percentage or the number of business days after the crossing of the Threshold Percentage specified in the applicable Final Terms.

If the Notes are early redeemed upon the crossing of a Coupon threshold, the Issuer shall give notice of the early redemption to the Noteholders in accordance with Condition 14 no later than a minimum of two business days or the number of business days specified in the applicable Final Terms.

## 9.7 Early Redemption Amounts

For the purpose of Conditions 9.2, 9.3, 9.4 above and Condition 12, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs:

where:

**RP** means the Reference Price;

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

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (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 will be 360) or (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 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 will be 365).

- (d) if **Fair Market Value** is specified in the applicable Final Terms as the Early Redemption Amount, at an amount determined by the Calculation Agent, acting in its sole and absolute discretion, which, shall represent the fair market value of the Notes on, or at a time



determined by the Calculation Agent during a period not exceeding five (5) Business Days immediately prior to, the date on which a notice of early redemption is deemed to have been given to the Noteholders pursuant to Condition 9.4 and Condition 14 and shall have the effect (after taking into account the costs of unwinding any hedging arrangements, as determined by the Issuer in its sole and absolute discretion, entered into in respect of the Notes) of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date. In respect of Notes bearing interest, notwithstanding any other provision of these Conditions, the Early Redemption Amount, as determined by the Calculation Agent in accordance with this paragraph shall include any accrued interest to (but excluding) the relevant early redemption date and apart from any such interest included in the Early Redemption amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer in respect of such redemption.

**Early Redemption Unwind Costs** means the amount specified in the applicable Final Terms or if **Standard Early Redemption Unwind Costs** are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata amongst each nominal amount of Notes in the Specified Denomination.

## **9.8 Instalments**

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 9.7.

## **9.9 Purchases**

The Issuer or any subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise. Notes purchased by or on behalf of the Issuer may be, at the option of the Issuer, either surrendered and cancelled or held or resold, in accordance with applicable laws and regulations.

## **9.10 Cancellation**

All Notes which are purchased for cancellation or are redeemed will forthwith be cancelled. All Notes cancelled shall be forwarded to the Agent and cannot be reissued or resold.

## **9.11 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 9.1, 9.2, 9.3, 9.4 or 9.5 above or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 9.7(c) 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:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

- (b) 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 and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## 9.12 Redemption for an Administrator/Benchmark Event

In the event that an Administrator/Benchmark Event occurs, the Issuer may, having given not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), on expiry of such notice, redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount referred to in Condition 9.7 and no further interest will be payable since the immediately preceding Interest Payment Date or, if none, the Issue Date.

For the purposes of this Condition 9.12:

**Administrator/Benchmark Event** means, in relation to any Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event.

**Benchmark** means any figure which is a benchmark as defined in BMR and where any amount payable under the Notes, or the value of the Notes, is determined by reference to such figure, all as determined by the Calculation Agent.

**Benchmark Modification or Cessation Event** means, in respect of the Benchmark:

- (i) any material change in such Benchmark; or
- (ii) the permanent cancellation or cessation in the provision of such Benchmark.

**BMR** means the EU Benchmark Regulation (Regulation (EU) 2016/1011).

**Non-Approval Event** means, in respect of the Benchmark:

- (i) any authorisation, registration, recognition, endorsement, equivalence or approval in respect of the Benchmark or the administrator of the Benchmark is not obtained;
- (ii) the Benchmark or the administrator of the Benchmark is not included in an official register; or
- (iii) the Benchmark or the administrator of the Benchmark does not fulfil any legal or regulatory requirement applicable to the Issuer, the Calculation Agent or the Benchmark,

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

**Rejection Event** means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses any application for authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register which, in each case, is required in relation to the Benchmark or the administrator of the Benchmark under any applicable

law or regulation for any of the Issuer, Calculation Agent or any other entity to perform its obligations in respect of the Notes.

**Suspension/Withdrawal Event** means, in respect of the Benchmark:

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

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

## **10. TAXATION**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If French law should require that any payments of principal, interest or other revenues in respect of the Notes be subject to withholding or deduction with respect to any present or future taxes, duties, assessments or governmental charges whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal, interest or other revenues which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note to a Noteholder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of such Note.

## **11. PRESCRIPTION**

The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined below) thereof.

As used herein, the Relevant Date in relation to any Note means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent 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 14.

## 12. EVENTS OF DEFAULT

The Representative (as defined in Condition 15), acting on its own initiative or upon request of any Noteholder, may give written notice to the Issuer and the Agent that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, together, if appropriate, with accrued interest, if any of the following events (each an **Event of Default**) shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 30 days after the relevant due date; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and such default is not remedied within 45 days after notice of such default has been given to the Issuer by any Noteholder; or
- (c) the Issuer applies for the appointment of an ad hoc representative (*mandataire ad hoc*) under French bankruptcy law, or enters into an amicable procedure (*procédure de conciliation*) with creditors or ceases its payments, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Issuer for its winding-up or dissolution, except in connection with a merger or other reorganisation in which all of the Issuer's assets are transferred to, and all of the Issuer's debts and liabilities (including the Notes) are assumed by, another entity which continues the Issuer's activities.

## 13. FURTHER ISSUES

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

## 14. NOTICES

- (a) Notices to the holders of dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing or (ii) at the option of the Issuer, they are published (a) so long as such Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, in a daily newspaper of general circulation in Luxembourg (which is excepted to be the *Luxemburger Wort* in Luxembourg), or (b) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*), or (c) they are published following Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any Regulated Market(s) or any unregulated stock exchange(s) and the applicable rules of that Regulated Market or unregulated stock exchange so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) or unregulated stock exchange(s) on which such Notes are listed and admitted to trading is/are and (d) so long as the Notes are listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

- (b) Notices to the holders of materialised Notes and dematerialised Notes in bearer form (*au porteur*) shall be valid if, at the option of the Issuer, they are published (i) so long as such Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, in a daily newspaper of general circulation in Luxembourg (which is excepted to be the *Luxemburger Wort* in Luxembourg), or (ii) in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*), or (iii) they are published following Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any Regulated Market(s) or any unregulated stock exchange(s) and the applicable rules of that Regulated Market or unregulated stock exchange so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) or unregulated stock exchange(s) on which such Notes are listed and/or admitted to trading is/are located and (iv) so long as the Notes are listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).
- (c) Any notice given by publication shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.
- (d) Notices required to be given to the holders of dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 14 (a), (b) and (c) above; except that so long as such Notes are listed on any stock exchange(s) and the rules applicable to that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed or on the website of such stock exchange and on the website of the Issuer.
- (e) Notices relating to convocations and decisions pursuant to Condition 15 and pursuant to Articles R. 228-79 and R. 236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer ([www.cic.fr](http://www.cic.fr)). For the avoidance of doubt, Conditions 14(a), (b), (c), (d) shall not apply to such notices.

## 15. REPRESENTATION OF NOTEHOLDERS

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (the **Masse**) which will be governed by the provisions of articles L.228-46 *et seq.* of the French *Code de commerce* with the exception of articles L.228-71 and R.228-69 of the French *Code de commerce* and as supplemented by this Condition 15:

### (a) Legal Personality

The *Masse* will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) Representative

The names and addresses of the Representative and its alternative representative (if any) will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all subsequent Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by its alternative representative, if any. Another Representative may be appointed.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternative representative (if any) at the registered office of the Issuer.

(c) Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders, or initiated by them, must be brought by or against the Representative.

(d) Collective Decisions

Collective Decisions are adopted either in a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Decision**).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Euroclear France Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 15(h) (*Notices to Noteholders*).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

(i) General Meetings

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two months of such demand, the Noteholders may commission one of their members to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes held by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 14 (*Notices*) not less than 15 calendar days prior to the date of such General Meeting on first convocation and not less than five calendar days prior to the date of such General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, or by correspondence.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

(ii) Written Decisions

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Decision.

Such Written Decision shall be signed by or on behalf of Noteholders holding not less than 75 per cent. in nominal amount of the Notes outstanding, without having to comply with formalities and time limits referred to in 15(d)(i). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Decision may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such Noteholders and shall be published in accordance with Condition 15(h).

(iii) Exclusion of certain provisions of the French *Code de commerce*

The provisions of Article L.228-65 I. 1, 3, 4, L.236-13 and L.236-18 of the French *Code de commerce* and the related provisions of the French *Code de commerce* shall not apply to the Notes.

(e) Expenses

The Issuer shall pay all expenses relating to the operation of the *Masse*, including all expenses relating to the calling and taking of Collective Decisions and, more generally, all administrative expenses resolved upon by the Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(f) Single Masse

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all such Series.

(g) Sole Noteholder

If and for so long as the Notes are held by a single Noteholder, and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de commerce*. Such sole Noteholder shall hold a register of the decisions it will have taken in such capacity and shall make it available, upon request, to any subsequent holder of all or part of the Notes of such Series.

(h) Notices to Noteholders

Any notice to be given to Noteholders pursuant to this Condition 15 shall be given in accordance with Condition 14 (*Notices*).

(i) Full *Masse*

For Notes issued with a denomination of less than EUR100,000 (or its equivalent in any other currency), this Condition 15 shall apply to the Notes subject to the following modifications.

(i) Condition 15(d)(iii) shall not apply to the Notes.

(ii) Except if the Final Terms specify “Issue outside France” as applicable, Condition 15(e) shall be deleted and replaced by the following:

“15(e) Expenses

The Issuer shall pay all expenses relating to the operations of the *Masse*, including all expenses relating to the calling and taking of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions.”

For the avoidance of doubt, in this Condition 15, the term **outstanding** shall not include those Notes purchased by the Issuer that are held by it and not cancelled in accordance with applicable laws and regulations as referred to in Condition 9.9 (*Purchases*).

## 16. GOVERNING LAW

The Notes are governed by, and shall be construed in accordance with, French law.

## 17. JURISDICTION

Any claim against the Issuer in connection with any Notes may be brought before any competent court located within the jurisdiction of the registered office of the Issuer.



## TERMS AND CONDITIONS OF THE ENGLISH LAW NOTES

*The following are the Terms and Conditions of the English Law Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes will complete the following Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Crédit Industriel et Commercial (the **Issuer**) subject to, and with the benefit of, the Agency Agreement (as defined below).

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

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 26 June 2019 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent), Banque de Luxembourg or Crédit Industriel et Commercial as calculation agent (the **Calculation Agent**, which expression shall include (i) such other person appointed as calculation agent pursuant to a calculation agency agreement and (ii) any additional or successor calculation 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).

The final terms for this Note (or the relevant provisions thereof) are set out in the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes 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 are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Interest bearing definitive 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 Notes which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 26 June 2019 and made by the Issuer. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). The applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes 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 Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

## 1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms and definitive Notes will be serially numbered. This Note is, to the extent specified in the applicable Final Terms, a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a Note linked to the underlying reference asset(s) (an **Underlying Reference(s)**) specified in the applicable Final Terms such as a Credit Linked Note, an Index Linked Note, an Equity Linked Note, an Inflation Linked Note, a Currency Linked Note, a Commodity Linked Note, a Fund Linked Note, a Bond Linked Note, a Rate Linked Note or any appropriate combination thereof.

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

The Index Linked Notes, the Inflation Linked Notes, the Currency Linked Note, the Commodity Linked Notes, the Fund Linked Notes, the Bond Linked Notes and the Rate Linked Notes are Cash Settled Notes. In the case of any Equity Linked Notes or Credit Linked Notes the applicable Final Terms will specify whether the Notes are Cash Settled Notes or Physical Delivery Notes. Save as otherwise specified in the applicable Final Terms, **Cash Settled Notes** will be redeemed by the payment to the Noteholders of such amount as is specified in the applicable Final Terms and **Physical Delivery Notes** will be redeemed by the delivery of the Relevant Asset(s) specified in the applicable Final Terms. Such Relevant Asset(s) shall not contain any share of the Issuer or of any consolidated subsidiary of the Issuer.

Subject as set out below, title to the Notes, Coupons and Receipts will pass by delivery. The Issuer and the Paying Agents, to the extent permitted by applicable law, may deem and treat the bearer of

any Note, Coupon or Receipt as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear 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 the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer 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.

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

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms (including Euroclear France and the *Intermédiaires financiers habilités* authorised to maintain accounts therein (together, **Euroclear France**)) approved by the Issuer and the Agent.

## **2. STATUS OF THE NOTES AND NEGATIVE PLEDGE**

### **2.1 Status**

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 2.2) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

### **2.2 Negative Pledge**

So long as any of the Notes remains outstanding, the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that the Issuer's obligations under the Notes and the Coupons either:

- (a) are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) have the benefit of such other Security Interest, guarantee, indemnity or other arrangement (whether or not it includes the giving of a Security Interest) as shall be approved by an Extraordinary Resolution of the Noteholders.

For the purposes of this Condition 2.2, **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which (with the consent of the issuer of the indebtedness) are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

### 3. **REDENOMINATION**

#### 3.1 **Redenomination**

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 13, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes held (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the **Exchange Notice**) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on a Fixed Interest Date, it will be calculated:
  - (i) in the case of the Notes represented by a global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such global Note; and
  - (ii) in the case of Definitive Notes, by applying the Rate of Interest to the Calculation Amount,

and, in each case, multiplying such sum 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 Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding,

- (g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (h) such other changes shall be made to these Conditions as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro.

### 3.2 Definitions

In these Conditions, the following expressions have the following meanings:

**Established Rate** means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

**Euro** or **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

**Redenomination Date** means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

**Treaty** means the Treaty on the Functioning of the European Union, as amended.

## 4. INTEREST

The applicable Final Terms will indicate whether the Notes are (i) Fixed Rate Notes, (ii) Floating Rate Notes, (iii) Fixed to Floating Rate Notes, (iv) Zero Coupon Notes or (v) Notes linked to an underlying reference asset(s) such as Credit Linked Notes, Index Linked Notes, Fund Linked Notes, Equity Linked Notes, Inflation Linked Notes, Currency Linked Notes, Commodity Linked Notes, Bond Linked Notes or any combination thereof.

### 4.1 Interest on Fixed Rate Notes

This Condition 4.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

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

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if, in the case of Notes in definitive form, no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

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

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount

by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

The Calculation Agent will cause the amount of interest payable per Calculation Amount for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Calculation Amount and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest per Calculation Amount shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Calculation Amount so calculated need be made.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if **Actual/Actual (ICMA)** is specified in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if **30/360** is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (c) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365; and
- (d) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360.

In the Conditions:

**Determination Period** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

**Reference Banks** means five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate (which, if EURIBOR is the relevant Reference Rate, shall be the Eurozone); and

**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.

## 4.2 Interest on variable interest Notes

This Condition 4.2 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination, FBF Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Calculation Agent, the Margin, any maximum or minimum interest rates, the Day Count Fraction and any formula that applies the calculation of interest. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity, Reset Date and any applicable multiplier or leverage factor (a **Leverage**). Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

### (a) Interest Payment Dates

Unless otherwise specified in the applicable Final Terms, each Floating Rate Note or other Note which is subject to a variable rate of interest (any such Note or Floating Rate Note, a **Variable Interest Note**), bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear or in advance as specified in the applicable Final Terms on either:

- (i) the Specified Interest Payment Date(s) specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls on the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Variable Interest Notes is represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual



rules and operating procedures. In respect of each definitive Variable Interest Note, interest will be calculated on its outstanding nominal amount.

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

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions and unless otherwise specified, **Business Day** means a day which is both:

- I. a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System (the **TARGET2 System**) is open (a **TARGET2 Business Day**) and 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 each Additional Business Centre specified in the applicable Final Terms; and
- II. 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 (which if the Specified Currency is Australian dollars or New Zealand dollars or Renminbi shall be Sydney, Auckland and Hong Kong, Beijing and the Offshore CNY Centre, respectively) or (ii) in relation to any sum payable in euro, **TARGET2 Business Day**.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Variable Interest Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent 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 Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

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

(ii) FBF Determination

- (A) Where FBF Determination is specified in the applicable Final Terms, interest will be payable on such dates, at such a rate (the **FBF Rate**) and in such amounts, plus or minus the Margin (if any), as would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to transactions on forward financial instruments incorporating the FBF Definitions (a **FBF Agreement**), as in effect on the date of issue of the Notes, published by the *Fédération Bancaire Française* (the **FBF**) and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Note under which:

- I. the Issuer was the Floating Amount Payer;
- II. the Agent (as defined herein) was the Agent (as defined in the FBF Agreement) or as otherwise specified in the applicable Final Terms;
- III. the Interest Commencement Date was the Transaction Date;
- IV. the lowest Specified Denomination was the Notional Amount;
- V. the Interest Payment Dates were the Floating Amount Payment Dates; and
- VI. all other terms were as specified in the applicable Final Terms.

**FBF Definitions** means the definitions set out in the FBF Master Agreement (a copy of which may be obtained free of charge on the FBF website at <http://www.fbf.fr/en/banking-issues/agreements-and-conventions/xbf-master-agreement-relating-to-transactions-on-forward-financial-instruments>), unless otherwise specified in the relevant Final Terms.

(B) When paragraph (A) above applies, in respect of each relevant Interest Payment Date:

- I. the amount of interest determined for such Interest Payment Date will be the Interest Amount for the relevant Interest Period for the purposes of these Conditions as though determined under paragraph (d) below;
- II. the Rate of Interest for such Interest Period will be the Floating Rate (as defined in the FBF Agreement) determined by the Agent in accordance with paragraph (A) above; and
- III. the Agent will be deemed to have discharged its obligations under paragraph (d) below if it has determined the Rate of Interest and the Interest Amount payable on such Interest Payment Date in the manner provided in the preceding sentence.

(iii) Screen Rate Determination

(A) Where Screen Rate Determination is specified in the applicable Final 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 or (if applicable) to Condition 4.2(b)(iv) below, be either:

- I. the offered quotation; or
- II. 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(s) which appears or appear, as the case may be, on the Screen Page at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(B) In the event that the Screen Page is not available or if, in the case of I above, no such offered quotation appears or, in the case of II above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Rate of Interest shall be the arithmetic mean of the offered quotation for the Reference Rate(s) provided by each of the Reference Banks at the Specified Time on the Interest Determination Date, as determined by the Calculation Agent.

(C) If fewer than two of such banks are quoting to leading banks in the Relevant Financial Centre, the Rate of Interest shall (unless otherwise specified) be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Period and to the relevant Interest Period).

(iv) **Benchmark Discontinuation**

This Condition 4.2(b)(iv) applies only if “Benchmark Replacement” is specified to be “Applicable” in the applicable Final Terms. For the avoidance of doubt, if “Benchmark Replacement” is specified to be “Not Applicable” in the applicable Final Terms, if a Benchmark Event occurs, then the other fallbacks specified in Condition 4.2(b) shall apply in accordance with their terms.

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any remaining rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and shall prevail over the other fallbacks specified in Condition 4.2(b).

(A) **Independent Adviser**

The Issuer shall use reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.2(b)(iv)(B)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4.2(b)(iv)(C)) and any Benchmark Amendments (in accordance with Condition 4.2(b)(iv)(D)).

An Independent Adviser appointed pursuant to this Condition 4.2(b)(iv) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Agent, the Paying Agents or the Calculation Agent, or the Noteholders, Receiptholders and Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4.2(b)(iv).

(B) **Successor Rate or Alternative Rate**

If the Issuer, following consultation with such Independent Adviser, determines in good faith that:

- I. there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.2(b)(iv)(D)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.2(b)(iv)); or
- II. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.2(b)(iv)(D)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest

(or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.2(b)(iv)).

(C) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser, determines in good faith (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(D) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.2(b)(iv) and the Issuer, following consultation with the Independent Adviser, determines in good faith (i) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days, or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.2(b)(iv)(E), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.2(b)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

The Issuer shall notify the Agent, the Calculation Agent, the Paying Agents, and, in accordance with Condition 13, the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.2(b)(iv). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Agent, the Calculation Agent, the party responsible for determining the Rate of Interest, the Paying Agents and the Noteholders, Receiptholders and Couponholders.

(F) Survival of Original Reference Rate

Without prejudice to the Issuer's obligations under the provisions of this Condition 4.2(b)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b) will continue to apply unless and until the party responsible for determining the Rate of Interest has been notified of the Successor Rate or the Alternative Rate (as the case may be), and of any Adjustment Spread and/or Benchmark Amendments.

(G) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Terms and Conditions will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 4.2(b)(iv), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 4.2(b)(iv) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the other fallbacks specified in Condition 4.2(b), will continue to apply in accordance with their terms).

(H) Definitions

In this Condition 6.2(b)(iv):

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders, Receiptholders or Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- I. in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- II. in the case of an Alternative Rate (or in the case of a Successor Rate where I. above does not apply), is in customary market usage in the international debt capital market for transactions which reference

the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or

- III. if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate;

**Alternative Rate** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 4.2(b)(iv) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

**Benchmark Event** means, with respect to an Original Reference Rate:

- I. the Original Reference Rate ceasing to exist or be published;
- II. the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (i);
- III. the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- IV. the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (i);
- V. the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months;
- VI. it has or will prior to the next Interest Determination Date become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder, Receiptholder or Couponholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable); or

- VII. that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation (Regulation (EU) 2016/1011) of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted;

**Independent Adviser** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 4.2(b)(iv)(A);

**Original Reference Rate** means the Reference Rate or other benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes;

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- I. the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- II. any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

**Successor Rate** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body, and if, following a Benchmark Event, two or more successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser, shall determine which of those successor or replacement rates is most appropriate, having regard to, *inter alia*, the particular features of the relevant Notes and the nature of the Issuer.

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

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

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

(d) **Determination of Rate of Interest and calculation of Interest Amount**



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

Save as otherwise specified in the applicable Final Terms, or in circumstances where FBF Determination is applicable, the Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable in respect of Variable Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Variable Interest Notes which are represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the relevant Notes; or
- (ii) in the case of Variable Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum 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 Specified Denomination of a Variable Interest 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.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if **Actual/365** or **Actual/Actual** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if **Actual/365 – FBF** is specified in the applicable Final Terms, the fraction whose numerator is the actual number of days elapsed during the Interest Period and whose denominator is 365. If part of the Interest period falls in a leap year, **Actual/365 – FBF** shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366;
- (iii) if **Actual/365 (Fixed)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) if **Actual/365 (Sterling)** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if **Actual/360** is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is

the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vii) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

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

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Variable Interest Notes are for the time being listed (by no later than the first day of each Interest Period or if that is impracticable, as soon as reasonably practicable upon the determination of such Rate of Interest and Interest Amount). Each Interest Amount and Interest Payment Date 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.

(f) **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, by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents, and all Noteholders, Receiptholders and Couponholders, and (in the absence of wilful default, fraud or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

### **4.3 Fixed/Floating Rate Notes**

Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

#### **4.4 Interest on Fixed or Floating or Zero Coupon/Structured Notes**

Fixed or Floating or Zero Coupon/Structured Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate or Floating Rate or Zero Coupon to a rate linked to an Underlying Reference, or from a rate linked to an Underlying Reference as specified in the Final Terms and determined in accordance with the Technical Annex to a Fixed or Floating Rate or Zero Coupon or (ii) that will automatically change from a Fixed or Floating Rate or Zero Coupon to a rate linked to an Underlying Reference or from a rate linked to an Underlying Reference to a Fixed or Floating Rate or Zero Coupon on the date set out in the Final Terms.

#### **4.5 Interest on Combined Notes**

The Interest Rate of Combined Notes is a combination of several Interest Rates during the lifetime of the Notes between a Fixed Rate and/or a Floating Rate and/or a Zero Coupon and/or a rate linked to an Underlying Reference as specified in the Final Terms and determined in accordance with the Technical Annex (i) that the Issuer may elect to convert on the date set out in the Final Terms or (ii) that will automatically change on the date set out in the Final Terms.

#### **4.6 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 for its redemption unless payment of principal (and/or delivery of the Physical Delivery Amount (if applicable)) is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) 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 and notice to that effect has been given to the Noteholders in accordance with Condition 13.

#### **4.7 Formulae for the calculation of interest**

Interest on the Notes will be determined in accordance with the formulae set out in the Technical Annex if specified in the applicable Final Terms. The applicable Day Count Fraction will be as defined in Conditions 4.1 and 4.2 above.

### **5. PAYMENTS**

#### **5.1 Method of payment**

Subject as provided below:

- (a) 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 a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi, shall be Sydney, Auckland and the Offshore CNY Centre, respectively); and
- (b) 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.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7, (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 (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto and (iii) any withholding or deduction required pursuant to Section 871(m) of the Code (**871(m) Withholding**). In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any “dividend equivalent” (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

Payments on the Notes that reference U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

## 5.2 Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive 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)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons 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 relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) 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 form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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

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

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

### **5.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive 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, 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.

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

Notwithstanding the foregoing provisions of this Condition, 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:

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

### **5.5 Payment Day**

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

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
  - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
  - (ii) in each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland and Hong Kong, Beijing and the Offshore CNY Centre, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **5.6 Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.7); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

Any reference in this Condition 5 to payment or repayment (as the case may be) of principal and/or interest and other similar expressions shall, where the context so admits, be deemed to refer also to delivery of any Asset Amount relating to Physical Delivery Notes.

## **5.7 Physical Delivery Notes**

### **(a) Physical Delivery**

- (i) Asset Transfer Notices

In relation to Physical Delivery Notes, in order to obtain delivery of the Asset Amount(s) in respect of any Note:

- (A) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable) (each a

relevant **Clearing System**), with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; and

- (B) if such Note is in definitive form, the relevant Noteholder must deliver to any Paying Agent with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice.

For the purposes of this Condition:

**Asset Amount** means the amount of Relevant Asset relating to each Note as set out in the Final Terms;

**Asset Transfer Notice** means asset transfer notice in the form set out in the Agency Agreement duly completed in accordance with the provisions of this Condition;

**Cut-off Date** means the date falling three Business Days prior to the Delivery Date; and

**Relevant Asset** means the Reference Underlying defined as such in the applicable Final Terms.

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

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note in such manner as is acceptable to the relevant Clearing System, or (ii) if such Note is in definitive form, in writing together with the Note.

The Asset Transfer Notice shall:

- (A) specify the name and address of the relevant Noteholder and the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Final Terms;
- (B) in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject to such notice and the number of the Noteholder's account at the relevant Clearing System to be debited with such Notes and irrevocably instruct and authorise the relevant Clearing System, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Delivery Date;
- (C) include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Noteholder at the relevant Clearing System, as the case may be, in respect thereof and to pay such Delivery Expenses;
- (D) specify an account to which dividends (if any) payable pursuant to this Condition 5.7 or any other cash amounts specified in the applicable Final Terms are being payable are to be paid;
- (E) certify that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice), the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will

be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;

- (F) authorise the production of such notice in any applicable administrative or legal proceedings,

For the purposes of this Condition, **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.

- (ii) Verification of the Holder

Upon receipt of an Asset Transfer Notice the relevant Clearing System shall verify that the person delivering the Asset Transfer Notice is the holder of the Notes described therein according to its records. Subject thereto, the relevant Clearing System will confirm to the Agent the series number and number of Notes the subject of such notice, the relevant account details and the details for the delivery of the Asset Amount relating to each Note. Upon receipt of such confirmation, the Agent will inform the Issuer thereof.

- (iii) Determinations and Delivery

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made, in the case of Notes represented by a Global Note, by the relevant Clearing System, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Notes in definitive form, by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

If any Asset Transfer Notice deemed null and void in accordance with the foregoing paragraph is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such corrected Asset Transfer Notice was delivered to the relevant Clearing System (with a copy to the Agent).

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or the Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

The Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided below on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the **Delivery Date**), provided that the Asset Transfer Notice is duly delivered to the relevant Clearing System (with a copy to the Agent), as provided above on or prior to the Cut-Off Date.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Agent, on or prior to the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date, as defined in the Final Terms (in which case, such date of delivery shall be deemed the Delivery Date) at the risk of such Noteholder in the manner provided below. In such circumstances the relevant Noteholder shall not be entitled to any payment, whether of interest or otherwise, and the Issuer shall have no liability whatsoever, as a result of the Delivery Date falling after the Maturity Date.



The Issuer shall, at the relevant Noteholder's risk, deliver or procure the delivery of the Asset Amount relating to each Note, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole and absolute discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice. 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 Noteholder.

(iv) General

Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Asset Amount in respect of such Notes, provided that, the aggregate Asset Amount in respect of the same Noteholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a share certificate all dividends on the relevant shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Noteholder will be paid to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Condition 5.7(a)(i).

For such period of time after delivery of the Asset Amount as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Asset Amount (the **Intervening Period**), none of the Issuer, the Calculation Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder 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, (ii) be under any obligation to exercise or procure the exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner during such Intervening Period of such securities or obligations.

(v) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable Final Terms, or such other commercially reasonable manner as the Calculation Agent has determined, is impracticable because a Settlement Disruption Event (as defined below) has occurred and is continuing on the Delivery Date, then it shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 and the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Note by delivering the Asset Amount using such other commercially reasonable manner as it may select and, in such event, the Delivery Date shall be such day as the Issuer deems appropriate (acting in a commercially reasonable manner). Noteholders shall not be entitled to any payment, whether on account of interest or otherwise, and the Issuer shall have no liability whatsoever, as a result of the Delivery Date being postponed due to the occurrence of a Settlement Disruption Event.

Where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets unaffected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of part of the Asset Amount is impracticable by reason of a Settlement Disruption Event, then in lieu of physical delivery of the affected Relevant Asset(s), and notwithstanding any other provision hereof, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the affected portion of the relevant Note(s) by paying the relevant Noteholder(s), the Disruption Cash Redemption Amount (as defined below) on the fifth Business Day following the date on which Noteholders are notified in accordance with Condition 13 of (i) such election having been made and (ii) the manner in which the Issuer intends to pay the Disruption Cash Redemption Amount.

For the purposes of this Condition:

**Disruption Cash Redemption Amount** shall be, in respect of any Note, the fair market value of such Note (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets included in the Asset Amount and such unaffected Relevant Assets have been duly delivered as provided above, the value of such unaffected and delivered Relevant Assets), less the cost to the Issuer of unwinding any related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion;

**Settlement Business Day**, in respect of each Note, has the meaning specified in the applicable Final Terms relating to such Note; and

**Settlement Disruption Event** means an event that is beyond the control of the Issuer, including illiquidity in the market for the Relevant Assets as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms, all as determined by the Calculation Agent.

(b) **Variation of Settlement**

If so specified in the applicable Final Terms, the Issuer may, in its sole and absolute discretion, elect (i) to deliver or procure delivery on the Maturity Date of the Asset Amount relating to each Note in lieu of its obligation to pay Noteholders the Redemption Amount or (ii) to pay Noteholders the Redemption Amount on the Maturity Date in lieu of its obligation to deliver or procure delivery of the Asset Amount. Notification of any such election will be given to Noteholders in accordance with Condition 13.

(c) **Rights of Noteholders and Calculations**

None of the Issuer, the Calculation Agent or any of the Paying Agents shall have any responsibility for any errors or omissions in committed in connection with any of the calculations or determinations contemplated in this Condition 5.

The purchase of Notes linked to one or more Relevant Assets does not confer on holders of such Notes any rights (whether in respect of voting, distributions or otherwise) in connection with the applicable Relevant Asset(s).

## 5.8 **Payment in Alternate Settlement Currency**

Notwithstanding any other provision in these Conditions, if the Calculation Agent determines, in its sole and absolute discretion, that a CNY Disruption Event has occurred or is likely to occur and that such CNY Disruption Event is material in relation to the Issuer's payment obligations under the Notes in respect of any forthcoming payment dates (each date, an **Affected Payment Date**), then the

Issuer may, in its sole and absolute discretion, determine to take any one or more of the following actions:

- (a) the relevant payment by the Issuer shall be postponed to 15 Business Days after the date on which the CNY Disruption Event ceases to exist or, if that would not be possible (as determined by the Issuer acting in good faith), as soon as reasonably practicable thereafter;
- (b) that the Issuer's obligations to payment in CNY under the terms of the Notes be replaced by an obligation to pay such amount in the Alternate Settlement Currency as specified in the Final Terms (converted at the Alternate Settlement Rate as determined by the Calculation Agent as of a time selected in good faith by the Calculation Agent); and
- (c) that the Notes be redeemed in full and not in part and each Note being redeemed at its Early Redemption Amount as specified in the applicable Final Terms.

Any payments, either in CNY or in the Alternate Settlement Currency, made by the Issuer with respect to its obligations relating to any Affected Payment Date shall be full and final settlement of its obligations to pay such amounts under the Notes.

For the avoidance of doubt, no amount of interest shall be payable in respect of any delay in payment of any amounts due to the adjustment of any Affected Payment Date.

Payments of the relevant principal or interest in respect of the Notes in the Alternate Settlement Currency shall be made by transfer to the account denominated in the Alternate Settlement Currency of the relevant Account Holders for the benefit of the Noteholders and (in the case of Notes in fully registered form) to an account denominated in the Alternate Settlement Currency with a bank designated by the Noteholders. For the avoidance of doubt, no such payment in the Alternate Settlement Currency shall by itself constitute a default in payment within the meaning of Condition 9.

Upon the occurrence of a CNY Disruption Event, the Issuer shall give notice, as soon as practicable in accordance with Condition 13, to the Noteholders stating the occurrence of the CNY Disruption Event and of the action proposed to be taken in relation thereto.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5.8 by the Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Agents and all Noteholders.

For the purposes of this Condition 5:

**Alternate Settlement Currency** means the currency specified as such in the applicable Final Terms;

**Alternate Settlement Rate** means the spot exchange rate between CNY and the Alternate Settlement Currency determined by the Calculation Agent, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the CNY non-deliverable market outside the PRC and/or the CNY exchange market inside the PRC);

**CNY** means the lawful currency of PRC (including any lawful successor currency to the CNY);

**CNY Disruption Event** means any one of CNY Illiquidity, CNY Inconvertibility and CNY Non-Transferability;

**CNY Illiquidity** means the occurrence of any event that makes it impossible (where it had previously been possible) for the Issuer and/or any of its affiliates to obtain a firm quote in respect of any amounts of CNY as may be required to be paid by the Issuer under the Notes on any payment date or such other amount as may be determined by the Calculation Agent in its sole and absolute discretion, either in one transaction or a commercially reasonable number of transactions in the general CNY exchange market in each Offshore CNY Centre in order to perform its obligations under the Notes. For the avoidance of doubt, the inability for the Issuer and/or any of its affiliates to obtain such firm quote solely due to issues relating to its creditworthiness shall not constitute CNY Illiquidity;

**CNY Inconvertibility** means the occurrence of any event that makes it impossible (where it had previously been possible), impracticable or illegal for the Issuer and/or any of its affiliates to convert any amounts into or from CNY as may be required to be paid by the Issuer under the Notes on any payment date or such other amount as may be determined by the Calculation Agent in its sole and absolute discretion at the general CNY exchange market in each Offshore CNY Centre other than where such impossibility, impracticability or illegality is due solely to the failure of that party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant Series of Notes and it is impossible for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer or the relevant affiliate, to comply with such law, rule or regulation);

**CNY Non-Transferability** means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its affiliates to transfer CNY (i) between accounts inside an Offshore CNY Centre, (ii) from an account inside an Offshore CNY Centre to an account outside such Offshore CNY Centre and outside the PRC, or (iii) from an account outside an Offshore CNY Centre and outside the PRC to an account inside such Offshore CNY Centre, other than where such impossibility, impracticability or illegality is due solely to the failure of the Issuer and/or the relevant affiliate to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer and/or any of its affiliates, due to an event beyond the control of the Issuer and/or the relevant affiliate, to comply with such law, rule or regulation);

**Governmental Authority** means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the PRC and each Offshore CNY Centre;

**Offshore CNY Centre** means any offshore financial centre outside of PRC where PBOC had established its Renminbi clearing and settlement system for participating banks in that centre and specified in the Final Terms. If no Offshore CNY Centre is specified in the relevant Final Terms, the Offshore CNY Centre shall mean Hong Kong only;

**PBOC** means the People's Bank of China; and

**PRC** means the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan).

For the avoidance of doubt, references to "general CNY exchange market in each Offshore CNY Centre" in the definitions of CNY Illiquidity and CNY Inconvertibility refer to purchase, sale, lending or borrowing in CNY for general purposes (including, but not limited to, funding) and therefore any purchase or sale of CNY where such CNY is required by relevant laws or regulations for the settlement of any cross-border trade transaction with an entity in the PRC, or any purchase or

sale of CNY for personal customers residing in such Offshore CNY Centre, would not be purchase or sale made on the general CNY exchange market.

## **6. REDEMPTION AND PURCHASE**

### **6.1 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 (or, in the case of Physical Delivery Notes, by delivery of the Asset Amount) as specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms. The Final Redemption Amount which shall be either (a) a fixed amount determined solely by the Issuer at the date of the applicable Final Terms and shall be at least equal to the nominal amount of the Notes or (b) calculated in accordance with the formulas provided in the Technical Annex.

### **6.2 Redemption for tax reasons**

Subject to Condition 6.7, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Variable Interest Note) or on any Interest Payment Date (if this Note is a Variable Interest Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, Receipts or Coupons, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of France or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of this Base Prospectus; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **6.3 Special Tax Redemption**

If the Issuer would, on the occasion of the next payment of principal or interest in respect of the Notes, Receipts or Coupons be prevented by the laws of France from causing payment to be made to the Noteholders, Receiptholders or Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7, then the Issuer shall forthwith give notice of such fact to the Agent and the Issuer shall, upon giving not less than seven nor more than 45 days' prior notice to the Noteholders in accordance with Condition 13, forthwith redeem all, but not some only, of the Notes at their Early Redemption Amount, together, if appropriate, with accrued interest, on the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, Receipts or Coupons provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice to Noteholders shall be the later of:

- (a) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, Receipts or Coupons; and

(b) 14 days after giving notice to the Agent as aforesaid.

#### **6.4 Redemption at the option of the Issuer (Issuer Call)**

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.4 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period and not more than the maximum period specified in the applicable Final Terms to the Agent and the Noteholders in accordance with Condition 13 (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 Early Redemption Date and at the Early Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Early Redemption Date. Unless otherwise specified in the applicable Final Terms, the **Early Redemption Date** (being the date on which the Noteholders will receive the Early Redemption Amount) will be seven (7) Business Days in Luxembourg following the date on which notice is deemed to have been given to the Noteholders in accordance with this paragraph and Condition 13.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a redemption of some only of the Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). 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. In the case of Redeemed Notes represented by a Global Note, the selection will be reflected (at the discretion of Euroclear and/or Clearstream, Luxembourg) either as a pool factor or a reduction in aggregate principal amount. 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 6.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five (5) days prior to the Selection Date.

#### **6.5 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than fifteen (15) nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final 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. In addition, an amount equal to the Early Reduction Fees may be deducted from the Optional redemption Amount if so specified in the applicable Final Terms. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, 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 (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is 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 6.5 and instead to declare such Note forthwith due and payable pursuant to Condition 9.

#### **6.6 Early Redemption upon the crossing of a Coupon threshold**

If Condition 6.6(a) or 6.6(b) below is specified as being applicable in the applicable Final Terms:

- (a) if on an Interest Payment Date the sum of the Coupons (in percentage of the Specified Denomination) paid since the Threshold Observation Start Date (specified in the applicable Final Terms) at least equals a Threshold Percentage of the Specified Denomination (specified in the applicable Final Terms), the Notes will be early redeemed at a Threshold Redemption Amount (specified in the applicable Final Terms), on this Interest Payment Date, such date will be deemed to be the Threshold Redemption Date.
- (b) if on any date during the lifetime of the Notes the sum of the Coupons plus the accrued interests (in percentage of the Specified Denomination) paid or accrued since the Threshold Observation Start Date (specified in the applicable Final Terms) equals a Threshold Percentage of the Specified Denomination (specified in the applicable Final Terms), the Notes will be early redeemed at a Threshold Redemption Amount (specified in the applicable Final Terms), on the Threshold Redemption Date, being the next Interest Payment Date after the crossing of the Threshold Percentage or the number of business days after the crossing of the Threshold Percentage specified in the applicable Final Terms.

If the Notes are early redeemed upon the crossing of a Coupon threshold, the Issuer shall give notice of the early redemption to the Noteholders in accordance with Condition 13 no later than a minimum of two business days or the number of business days specified in the applicable Final Terms.

#### **6.7 Early Redemption Amounts**

For the purpose of Conditions 6.2, 6.3, 6.4 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula less, if specified as applicable in the applicable Final Terms, Early Redemption Unwind Costs:

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

where:

**RP** means the Reference Price;

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

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (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 will be 360) or (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 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 will be 365).

- (d) if **Fair Market Value** is specified in the applicable Final Terms as the Early Redemption Amount, at an amount determined by the Calculation Agent, acting in its sole and absolute discretion, which, shall represent the fair market value of the Notes on, or at a time determined by the Calculation Agent during a period not exceeding five (5) Business Days immediately prior to, the date on which a notice of early redemption is deemed to have been given to the Noteholders pursuant to Condition 6.4 and Condition 13 and shall have the effect (after taking into account the costs of unwinding any hedging arrangements, as determined by the Issuer in its sole and absolute discretion, entered into in respect of the Notes) of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make the payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date. In respect of Notes bearing interest, notwithstanding any other provision of these Conditions, the Early Redemption Amount, as determined by the Calculation Agent in accordance with this paragraph shall include any accrued interest to (but excluding) the relevant early redemption



date and apart from any such interest included in the Early Redemption amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer in respect of such redemption.

**Early Redemption Unwind Costs** means the amount specified in the applicable Final Terms or if **Standard Early Redemption Unwind Costs** are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of Notes in the Specified Denomination.

## **6.8 Instalments**

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 6.7.

## **6.9 Purchases**

The Issuer or any subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmaturing Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Notes purchased by or on behalf of the Issuer may be, at the option of the Issuer, either surrendered and cancelled or held or resold, in accordance with applicable law.

All Notes purchased by the Issuer may be purchased and held in accordance with applicable laws and regulations.

## **6.10 Cancellation**

All Notes which are purchased for cancellation or are redeemed will forthwith be cancelled (together with all unmaturing Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes cancelled (together with all unmaturing Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

## **6.11 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 6.1, 6.2, 6.3, 6.4 or 6.5 above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.7(c) 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:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) 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 and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## 6.12 Redemption for an Administrator/Benchmark Event

In the event that an Administrator/Benchmark Event occurs, the Issuer may (at its option):

- (i) instruct the Calculation Agent to make such adjustment to the conditions of the Notes as it may determine appropriate to account for the relevant event or circumstance; or
- (ii) having given not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount referred to in Condition 6.7 and no further interest will be payable since the immediately preceding Interest Payment Date or, if none, the Issue Date.

For the purposes of this Condition 6.12:

**Administrator/Benchmark Event** means, in relation to any Benchmark, the occurrence of a Benchmark Modification or Cessation Event, a Non-Approval Event, a Rejection Event or a Suspension/Withdrawal Event.

**Benchmark** means any figure which is a benchmark as defined in BMR and where any amount payable under the Notes, or the value of the Notes, is determined by reference to such figure, all as determined by the Calculation Agent.

**Benchmark Modification or Cessation Event** means, in respect of the Benchmark:

- (i) any material change in such Benchmark; or
- (ii) the permanent cancellation or cessation in the provision of such Benchmark.

**BMR** means the EU Benchmark Regulation (Regulation (EU) 2016/1011).

**Non-Approval Event** means, in respect of the Benchmark:

- (i) any authorisation, registration, recognition, endorsement, equivalence or approval in respect of the Benchmark or the administrator of the Benchmark is not obtained;
- (ii) the Benchmark or the administrator of the Benchmark is not included in an official register; or
- (iii) the Benchmark or the administrator of the Benchmark does not fulfil any legal or regulatory requirement applicable to the Issuer, the Calculation Agent or the Benchmark,

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

**Rejection Event** means, in respect of the Benchmark, the relevant competent authority or other relevant official body rejects or refuses any application for authorisation, registration, recognition, endorsement, equivalence, approval or inclusion in any official register which, in each case, is required in relation to the Benchmark or the administrator of the Benchmark under any applicable

law or regulation for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Notes.

**Suspension/Withdrawal Event** means, in respect of the Benchmark:

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

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

## 7. TAXATION

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes, Receipts or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If French law should require that any payments of principal, interest or other revenues in respect of the Notes, Receipts or Coupons be subject to withholding or deduction with respect to any present or future taxes, duties, assessments or governmental charges whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal, interest or other revenues which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder (including a beneficial owner (*ayant droit*)) who is liable for such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with France other than the mere holding of (or beneficial ownership with respect to) such Note, Receipt or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5).

As used herein, the **Relevant Date** in relation to any Note, Receipt or Coupon means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent 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.

## **8. PRESCRIPTION**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) thereof.

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 or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

## **9. EVENTS OF DEFAULT**

The holder of any Note may give written notice to the Issuer and the Agent that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its Early Redemption Amount, together, if appropriate, with accrued interest, if any of the following events (each an **Event of Default**) shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 30 days after the relevant due date; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and such default is not remedied within 45 days after notice of such default has been given to the Issuer by any Noteholder; or
- (c) the Issuer applies for the appointment of an ad hoc representative (*mandataire ad hoc*) under French bankruptcy law, or enters into an amicable procedure (*procédure de conciliation*) with creditors or ceases its payments, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Issuer for its winding-up or dissolution, except in connection with a merger or other reorganisation in which all of the Issuer's assets are transferred to, and all of the Issuer's debts and liabilities (including the Notes) are assumed by, another entity which continues the Issuer's activities.

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

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

## **11. 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 Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

## **12. 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 and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **13. NOTICES**

- (a) All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in Europe and (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu). It is expected that any such publication in a newspaper will be made in the *Financial Times* in London, the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.
- (b) Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or on the Luxembourg Stock Exchange's website at [www.bourse.lu](http://www.bourse.lu) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Unless otherwise specified in the applicable Final Terms, any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the said notice was given to Euroclear and/or Clearstream, Luxembourg.
- (c) 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 relative Note or Notes, with the Agent. 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 through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

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

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if

required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing 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 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 Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

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

## **15. AGENTS**

The Issuer is entitled to vary or terminate the appointment of 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:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

In addition, the Issuer shall forthwith appoint a paying agent having a specified office in New York City in the circumstances described in Condition 5.4. 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 Agency Agreement, the Agents will act solely as agents of the Issuer and do not assume any obligations or relationship of agency or trust to or with the Noteholders, Receiptholders or Couponholders, except that (without affecting the obligations of the Issuer to the Noteholders, Receiptholders and Couponholders, to repay Notes and pay interest thereon) funds received by the Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the

Noteholders and/or Receiptholders or Couponholders until the expiration of the relevant period of prescription under Condition 8. The Issuer will agree to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and any of its subsidiaries without being liable to account to the Noteholders, Receiptholders or the Couponholders for any resulting profit.

## **16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, 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**

### **17.1 Governing law**

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

### **17.2 Submission to jurisdiction**

The Issuer irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and accordingly submit to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders, may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### **17.3 Appointment of Process Agent**

The Issuer appoints Crédit Industriel et Commercial, London Branch at its registered office in England at Finsbury Circus House, 15 Finsbury Circus, London EC2M 7EB as its agent for service of process, and undertakes that, in the event of Crédit Industriel et Commercial, London Branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

### **17.4 Other documents**

The Issuer has in the Agency Agreement and the 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.

## **18. BAIL-IN**

### **18.1 Acknowledgement**

Notwithstanding any other term of the Notes or any other agreement, arrangement or understanding between the Issuer and the holders, by its subscription and/or purchase and holding of the Notes, each holder (which for the purposes of this Condition 18 includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees:

- (i) to be bound by the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority, which may include and result in any of the following, or some combination thereof:
  - (A) the reduction of all, or a portion, of the Amounts Due on a permanent basis;
  - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the holder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
  - (C) the cancellation of the Notes or Amounts Due;
  - (D) the amendment or alteration of the maturity of the Notes or amendment of the Interest Amount payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (ii) that the terms of the Notes are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-in Power by the Relevant Resolution Authority.

### **18.2 Payment of Interest and Other Outstanding Amounts Due**

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of the **Group** (being the Issuer and its consolidated subsidiaries taken as a whole).

### **18.3 Notice to Holders**

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer will make available a written notice to the holders as soon as practicable regarding such exercise of the Bail-in Power. The Issuer will also deliver a copy of such notice to the Agents for information purposes.

### **18.4 Duties of the Agents**

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority, (a) the Agents shall not be required to take any directions from holders, and (b) the Agency Agreement shall impose no



duties upon any of the Agents whatsoever, in each case with respect to the exercise of any Bail-in Power by the Relevant Resolution Authority.

## 18.5 Proration

If the Relevant Resolution Authority exercises the Bail-in Power with respect to less than the total Amounts Due, unless any of the Agents is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-in Power will be made on a pro-rata basis.

## 18.6 Conditions Exhaustive

The matters set forth in this Condition 18 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Note.

For the purposes of the Terms and Conditions of the English Law Notes:

**Amounts Due** means the principal amount, together with any accrued but unpaid interest, and additional amounts payable in accordance with Condition 7, if any, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-in Power by the Relevant Resolution Authority;

**Bail-in Power** means any power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in France, relating to (i) the transposition of the BRRD (including but not limited to Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) and any other implementing regulations) as amended or superseded from time to time, (ii) Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and the SRM Regulation) and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced, cancelled, suspended, modified, or converted into shares, other securities, or other obligations of such Regulated Entity (or affiliate of such Regulated Entity);

**BRRD** means Directive 2014/59/EU of 15 May establishing the framework for the recovery and resolution of credit institutions and investment firms or such other directive as may come into effect in place thereof, as implemented into French law by Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*), as amended or replaced from time to time and including any other relevant implementing regulatory provisions;

**Regulated Entity** means any entity to which BRRD, as implemented in France (including but not limited to, by Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) and any other implementing regulations) and as amended or superseded from time to time, or any other French piece of legislation relating to the Bail-in Power, applies, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies; and

**Relevant Resolution Authority** means the *Autorité de contrôle prudentiel et de résolution*, the Single Resolution Board (SRB) established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Bail-in Power from time to time.

## **ADDITIONAL PROVISIONS APPLICABLE TO THE NOTES**

Sections 19 to 27 below are applicable to both English Law Notes and French Law Notes. Any reference to “Notes” therein shall therefore apply to English Law Notes or French Law Notes, as the case may be.

### **19. ADDITIONAL PROVISIONS APPLICABLE TO CREDIT LINKED NOTES**

This Condition 19 applies to Credit Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine amounts payable under Credit Linked Notes. The applicable Final Terms must be read in conjunction with this Condition 19 and with the Technical Annex for full information on any Credit Linked Notes. The applicable Final Terms will specify whether the principal is guaranteed at maturity or not and identify the relevant Reference Entity(ies), the relevant Credit Event(s), the applicable Settlement Method (Auction Settlement, Cash Settlement or Physical Settlement) and Fallback Settlement Method, the Scheduled Maturity Date, the Scheduled Termination Date, the Valuation Date and the Valuation Time, the Valuation Method and the relevant formula, all as determined in accordance with this Condition 19 and the Technical Annex.

#### ***PART A – 2009 ISDA CREDIT DERIVATIVES DEFINITIONS***

##### **19.1 Payment of Credit Linked Interest upon occurrence of a Credit Event**

If payment of Interest under the Notes is conditional upon the occurrence or the non-occurrence of a Credit Event on a Reference Obligation or Reference Entity during the Reference Period, the applicable Final Terms will provide for the formula and/or conditions of such payment in accordance with the provisions of the Technical Annex.

##### **19.2 Redemption of Credit Linked Notes upon occurrence of a Credit Event**

###### **(a) Credit Event Notice**

If at any time the Calculation Agent determines that a Credit Event has occurred during the Reference Period, whether or not such event is continuing, the Issuer may give a Credit Event Notice during the Notice Delivery Period to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of its intention to redeem the Credit Linked Notes (other than principal protected Credit Linked Notes), and if such notice is so given and the other Conditions to Settlement (as specified in the applicable Final Terms) are satisfied, the Issuer shall, unless otherwise specified in the applicable Final Terms and in accordance with the provisions of the Technical Annex, redeem all but not some only of the Credit Linked Notes then outstanding on the Credit Event Redemption Date, subject to the provisions of Condition 19.15, as determined by the Calculation Agent in its sole discretion. Such redemption shall occur by Physical Settlement and/or, if so specified in the applicable Final Terms, Cash Settlement or Auction Settlement.

The Credit Event Redemption Date may be a date falling after the originally scheduled Maturity Date in which case the originally scheduled Maturity Date shall be deemed to be replaced by the relevant date specified in the Credit Event Notice or otherwise notified to the Noteholders.

For the avoidance of doubt and notwithstanding any other provision of these Conditions, no amount of interest shall be payable on the Notes from (and including) the Interest Payment Date (or, the Interest Commencement Date) immediately preceding the date on which the Credit Event occurred, unless otherwise specified in the applicable Final Terms.

The Credit Event Notice shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, and shall:

- (i) describe the grounds on which the Calculation Agent has determined that a Credit Event has occurred (but need not assert that a Credit Event is continuing);
- (ii) specify the Credit Event Determination Date; and
- (iii) confirm that either (A) the Notes will be redeemed by Delivery of the Deliverable Obligations as specified in the Notice of Physical Settlement (in the case of Physical Settlement and subject to the provisions of Condition 19.14) or (B) the Notes will be redeemed at their Cash Settlement Amount (in the case of Cash Settlement) or (C) the Notes will be redeemed at their Auction Settlement Amount (in the case of Auction Settlement), in each case on the Credit Event Redemption Date.

Unless otherwise stated in the applicable Final Terms in respect of principal protected Credit Linked Notes, once a Credit Event has occurred during the Reference Period and a Credit Event Notice has been issued, the Issuer's only obligation, other than to deliver a Notice of Publicly Available Information (if specified in the applicable Final Terms) and, in the case of Physical Settlement, a Notice of Physical Settlement, shall be to deliver (subject to the provisions of Conditions 19.8, 19.9, 19.10 and 19.11 below) the Deliverable Obligations (in the case of Physical Settlement) and/or pay the Cash Settlement Amount (in the case of Cash Settlement) or, as the case may be, pay a *pro rata* amount in respect of each Note of the Auction Settlement Amount (in the case of Auction Settlement), on the Credit Event Redemption Date. Upon Delivery of the Deliverable Obligations and/or, as the case may be, payment of the Cash Settlement Amount or Auction Settlement Amount in respect of each Note, the Issuer shall have discharged all of its obligations in respect of such Note and shall have no other liability or obligation whatsoever in respect thereof.

Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event, there may be more than one Credit Event Notice delivered in respect of the same Reference Entity, as further described in Condition 19.15 below.

If "First to Default Credit Linked Note" is specified as "Applicable" in the Final Terms, then this paragraph (a) shall apply only to the Reference Entity in respect of which a Credit Event has occurred first in time with respect to the other Reference Entities specified in the Final Terms.

**(b) Determination of the occurrence of a Credit Event**

The Calculation Agent shall determine whether or not a Credit Event has occurred during the Reference Period. The Calculation Agent shall, however, have no duty or responsibility to investigate or check whether such Credit Event has or may have occurred or is continuing on any date and shall be entitled to assume, in the absence of actual knowledge to the contrary of the employees or officers of the Calculation Agent directly responsible for the time being for making determinations hereunder, that no Credit Event has occurred or is continuing.

When determining the existence or occurrence of any Credit Event, the determination shall be made without regard to:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;

- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) 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
- (iv) 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.

If the Calculation Agent determines in its sole and absolute discretion that a Credit Event has occurred during the Reference Period it shall promptly notify the Issuer and the Agent. The determination by the Calculation Agent of the occurrence of a Credit Event shall (in the absence of wilful default, bad faith or manifest error) be conclusive and binding on all persons (including, without limitation, the **Noteholders**).

(c) **Calculation Agent and notices**

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under or pursuant to this Condition shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under or pursuant to the Notes including, without limitation, the giving of any notice to any party, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

A notice delivered by the Calculation Agent to the Issuer and/or the Agent on or prior to 5.00 p.m., Luxembourg time on a TARGET2 Business Day will be effective on such TARGET2 Business Day. A notice delivered after 5:00 p.m., Luxembourg time will be deemed effective on the next following Business Day regardless of the form in which it is delivered. For the purposes of the two preceding sentences, 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 such notice within one TARGET2 Business Day of such notice.

### **19.3 Auction Settlement**

Where the Issuer is to redeem Notes by means of Auction Settlement, the redemption of each Note shall be effected by the payment of the Auction Settlement Amount on the Credit Event Redemption Date, such amount to be apportioned pro rata among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency.

Unless settlement has occurred in accordance with the above paragraph, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option), (c) ISDA publicly

announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date, (d) a Credit Event Determination Date was determined pursuant to paragraph (a) of the definition of Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date or (e) a Credit Event Determination Date was determined pursuant to paragraph (b)(ii) of the definition of Credit Event Determination Date, then:

- (a) if "Fallback Settlement Method – Physical Settlement" is specified as applicable in the applicable Final Terms, the Issuer shall redeem the Notes in accordance with Condition 19.6; or
- (b) if "Fallback Settlement Method – Cash Settlement" is specified as applicable in the applicable Final Terms, the Issuer shall redeem the Notes in accordance with Condition 19.7.

#### **19.4 Market Disruption**

**Market Disruption Event** means the occurrence or existence of a specific circumstance or a combination of circumstances, which in either case the Calculation Agent determines is material and which objectively prevents it from determining whether a Knock-in or Knock-out Event has occurred, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the event triggers respectively the Knock-in Level or the Knock-out Level or (b) in all other circumstances ends at the relevant Valuation Time.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Knock-in Determination Day, a Knock-out Determination Day or a Valuation Date.

#### **19.5 Knock-in Event and Knock-out Event**

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the Knock-in Level or the Knock-out Level has been triggered, a Market Disruption Event

occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of this Condition 19:

**Knock-in Event** means an event specified as such in the applicable Final Terms as of the Knock-in Valuation Time on any Knock-in Determination Day and which may be an event *per se*, specified in the applicable Final Terms or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

**Knock-in Level** means a level specified as such in the applicable Final terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 19.4 above.

**Knock-in Determination Day** means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 19.4 above. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

**Knock-out Event** means an event specified as such in the applicable Final Terms as of the Knock-out Valuation Time on any Knock-out Determination Day and which may be an event *per se* or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

**Knock-out Level** means a level determined as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 19.4 above.

**Knock-out Determination Day** means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 19.4 above. For the purposes of a Market Disruption, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 19.6 Physical Settlement

Where the Issuer is to redeem the Notes by means of Physical Settlement, the redemption of each Note shall, subject as provided in Condition 5.7, be effected by the Delivery Agent on behalf of the Issuer to the Noteholders of the Deliverable Obligations on the Credit Event Redemption Date.

If Unwind Amount is specified as "Applicable" in the Final Terms, then the Delivery Agent on behalf of the Issuer shall deliver the Deliverable Obligations subject to adjustment after taking into consideration the Unwind Amount pursuant to the following:

- (a) if the Unwind Amount results in a net loss to the Issuer, then an amount of the Deliverable Obligations equivalent in value to such net loss shall be sold by the Issuer to compensate it therefor, and the remaining portion of the Deliverable Obligations, if any, shall be delivered; or
- (b) if the Unwind Amount results in a net gain to the Issuer, such net gain shall be paid in cash to the Noteholders in addition to the Deliverable Obligations.

In the case of Deliverable Obligations that are Borrowed Money obligations, (i) the Issuer will Deliver Deliverable Obligations with an outstanding principal balance (including accrued but unpaid interest (as determined by Calculation Agent) if "Include Accrued Interest" is specified in the Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified in the Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the Final Terms, excluding accrued but unpaid interest) and (ii) in the case of Deliverable Obligations that are not Borrowed Money obligations, the Issuer will Deliver Deliverable Obligations with a Due and Payable Amount (or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount), in an aggregate amount as close as possible to the outstanding Aggregate Nominal Amount of the Notes.

The portion of Deliverable Obligations deliverable in respect of each Note shall be determined by reference to the proportion that the Specified Denomination of such Note bears to the outstanding Aggregate Nominal Amount of the Notes. If a Deliverable Obligation by its terms represents or contemplates an obligation to pay an amount greater than the outstanding principal balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the outstanding principal balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

Unless otherwise specified in the applicable Final Terms, a Notice of Physical Settlement must be delivered by the Issuer to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, on or before the 30th calendar day after the relevant Event Determination Date (such 30th calendar day being the **Physical**



**Determination Date).** For purposes of determining whether such Notice of Physical Settlement has been so delivered by the Physical Determination Date, the date on which the Notice of Physical Settlement is given (whether or not subsequently changed) shall be used.

For the avoidance of doubt, failure to deliver a Notice of Physical Settlement to the Noteholders shall not relieve the Issuer from its obligation to redeem the Notes. If on the Physical Determination Date no Notice of Physical Settlement has been delivered to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, the Issuer shall be obliged to redeem the Notes in cash at their outstanding Aggregate Nominal Amount as soon as reasonably practicable and the date on which the Notes are redeemed shall be deemed to be the Credit Event Redemption Date.

## **19.7 Cash Settlement**

Where the Issuer is to redeem the Notes by means of Cash Settlement, the redemption of each Note shall be effected by the payment by the Issuer to the Noteholders of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned pro rata among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency.

If Unwind Amount is specified as "Applicable" in the Final Terms, then the Issuer shall pay the Cash Settlement Amount, subject to adjustment after taking into consideration the Unwind Amount pursuant to the following:

- (a) if the Unwind Amount results in a net loss to the Issuer, then the net loss shall be deducted from the Cash Settlement Amount; or
- (b) if the Unwind Amount results in a net gain to the Issuer, such net gain shall be paid to the Noteholders in addition to the Cash Settlement Amount.

## **19.8 Partial Cash Settlement due to illegality or impossibility**

If, due to an event beyond the control of the Issuer or a Noteholder (including, without limitation, failure of the relevant clearing system or due to any law, regulation or court order but excluding market conditions or the failure to obtain any requisite consent with respect to the Delivery of Loans), the Calculation Agent determines in its sole discretion that it is impossible or illegal for the Delivery Agent or the Issuer to Deliver, or (as the case may be) for such Noteholder to accept Delivery of, any portion of the Deliverable Obligations on the Physical Settlement Date, then on such date:

- (a) the Issuer shall Deliver, or cause the Delivery Agent to Deliver, and the Noteholder shall take Delivery of, that portion of the Deliverable Obligations which it is possible and legal to Deliver; and
- (b) the Calculation Agent shall provide a description to the Issuer and the relevant Noteholder(s) in reasonable detail of the facts giving rise to such impossibility or illegality and as soon as practicable thereafter the Delivery Agent or, as the case may be, the Issuer shall Deliver and the Noteholder shall take Delivery of the portion of the Deliverable Obligations which has not been Delivered and such date will be deemed to be the Credit Event Redemption Date.

If, upon the determination by the Calculation Agent as aforesaid of the occurrence of any such impossibility or illegality, the Deliverable Obligations is not Delivered to the Noteholder(s) (or any of their designees) on or before the Latest Permissible Physical Settlement Date, Cash Settlement

pursuant to the Partial Cash Settlement Terms shall be deemed to apply to such portion of the Deliverable Obligations that cannot be Delivered (the **Undeliverable Obligations**).

### **19.9 Partial Cash Settlement of Loans**

Where the applicable Final Terms provides that "Assignable Loan" and/or "Consent Required Loan" is/are included in the "Deliverable Obligation Characteristics", if any Assignable Loans or Consent Required Loans are not, on the Physical Settlement Date, capable of being assigned or novated to any particular Noteholder or such Noteholder's designee due to non-receipt of any requisite consents and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date (together the **Undeliverable Loan Obligations**), Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to that portion of the Deliverable Obligations that consists of Undeliverable Loan Obligations. In such circumstances, the Issuer may satisfy its obligations in respect of such portion of the Deliverable Obligations by payment of the Cash Settlement Amount on the Cash Settlement Date.

### **19.10 Alternative Cash Settlement**

If with respect to physically settled Notes, (i) the Deliverable Obligations comprise Bonds, Assignable Loans or Consent Required Loans (the **Deliverable Assets**) and if (ii), in the opinion of the Calculation Agent, any particular Noteholder is not eligible for Physical Settlement for any part of such Deliverable Assets (the **Non-Eligible Deliverable Assets**) then such Non-Eligible Deliverable Assets will be subject to Cash Settlement pursuant to the Partial Cash Settlement Terms. In such circumstances, the Issuer may satisfy its obligations in respect of such Non-Eligible Deliverable Assets by payment to such Noteholder of the Cash Settlement Amount on the Cash Settlement Date.

### **19.11 No Deliverable Obligations**

Where the Issuer is to redeem the Notes by means of Physical Settlement (or by Cash Settlement or in connection with principal protected Credit Linked Notes, in either case when necessary calculations relate to Deliverable Obligations or Deliverable Obligation Characteristics), if a Credit Event occurs with respect to any particular Reference Entity and the Calculation Agent determines in its sole discretion that (a) no Deliverable Obligation exists on the Physical Settlement Date (or the Valuation Date, as the case may be), or (b) the Issuer, or the Delivery Agent on the Issuer's behalf, is for any reason (other than (a) immediately above or as set out in Condition 19.8 or 19.9 above or in the applicable Final Terms), unable to procure any Deliverable Obligations, or a sufficient amount of Deliverable Obligations, by the thirtieth day following the Physical Settlement Date, then the Calculation Agent shall have the right in its sole discretion to either (i) in the case of (a) above, cause all of the Notes to become due and repayable as soon as reasonably practicable at their outstanding Aggregate Nominal Amount (excluding accrued interest) or (ii) in the case of (b) above, either (A) elect Physical Settlement in a *pro rata* fashion that portion of each Note to the extent that the aggregate amount of Deliverable Obligations due exceeds the aggregate amount of Deliverable Obligations available and elect Cash Settlement for the remaining portion of each Note in accordance with (B) below, or (B) elect that Cash Settlement pursuant to the Partial Cash Settlement Terms shall apply to such Deliverable Obligation (such Deliverable Obligation being deemed an Undeliverable Obligation for these purposes) and the Issuer may satisfy its obligations in respect of such Deliverable Obligation by payment to the Noteholder(s) of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned *pro rata* among the Noteholders.

### **19.12 Partial Cash Settlement Terms**

The following terms are deemed to be defined as follows for the purposes of the Partial Cash Settlement Terms referred to in Condition 19.8, 19.9, 19.10 and 19.11 above:

**Dealer** means a dealer, financial institution or fund (which, for the avoidance of doubt, shall include the Issuer or any Affiliate of the Issuer) that deals or invests in obligations of the type of Obligation(s) for which Quotations are to be obtained. The Calculation Agent shall select the Dealers in good faith and in a commercially reasonable manner. Upon a selected 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 Dealer(s) for one or more of the foregoing. Any bid quotation provided by the Issuer shall be deemed to be a firm quotation that it would provide to a counterparty in the market.

**Final Price** means the price of the obligation being valued, expressed as a percentage, determined in accordance with the specified Valuation Method. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, notify the Issuer of each such Quotation that it receives in connection with the calculation of the Final Price and shall provide the Issuer a written computation showing its calculation of the Final Price.

**Highest** means the highest Quotation obtained by the Calculation Agent (or in accordance with the definition of "Quotation") with respect to any Valuation Date.

**Latest Permissible Physical Settlement Date** means, in respect of Condition 19.8, the date that is 30 calendar days after the Physical Settlement Date and, in respect of Condition 19.9, the date that is fifteen Business Days after the Physical Settlement Date.

**Market** means the Market Value determined by the Calculation Agent with respect to the Valuation Date.

**Market Value** means, with respect to obligations being valued 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 value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest and 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 fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained on any of the next ten Business Days thereafter, any one Full Quotation on such tenth Business Day, and or if no Full Quotation is obtained, the Market Value shall be the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Minimum Quotation Amount** shall be as specified in the applicable Final Terms or shall be deemed to be equal to the applicable Specified Denomination of the Notes.

**Partial Cash Settlement** is deemed to be the payment by the Issuer of the Cash Settlement Amount to the Noteholders on the Cash Settlement Date.

**Partial Cash Settlement Amount** is deemed to be, for each Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, the aggregate of the greater of (i) the aggregate of (A) outstanding principal balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Undeliverable Loan Obligation and (ii) zero.

**Partial Cash Settlement Date** is deemed to be the date that is three Business Days after the calculation of the Final Price or such other date specified in the relevant Final Terms.

**Quotation** means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date as follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same 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 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, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Quotation Amount** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, with respect to each type of Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, an amount equal to 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 in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset.

**Quotation Method** means the applicable quotation method which may be specified in the Final Terms as being one of the following:

- (a) **Bid** means that only bid quotations shall be requested;
- (b) **Mid** means that the bid and offer quotations shall be requested and averaged for the purposes of determining a relevant Dealer's quotation; or
- (c) **Ask** means that only offer quotations shall be requested.

**Valuation Date** is deemed to be the date that is two Business Days after the Latest Permissible Physical Settlement Date.

**Valuation Time** is deemed to be 11:00 a.m. London time, or 11:00 a.m. in the principal trading market of the relevant obligation as determined by the Calculation Agent, unless stated otherwise in the applicable Final Terms.

**Valuation Method** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, (i) if only one Valuation Date, Highest, or (ii) if more than one Valuation Date, Average Highest, or if "Market" has been designated in the relevant Final Terms, "Market Value" shall apply.

**Weighted Average Quotation** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Relevant Dealers at the Valuation Time, to the extent reasonably practicable, with an amount of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

### **19.13 Maturity Date Extension**

Unless otherwise stated in the applicable Final Terms if, prior to any payment date under the Notes, (a) a Potential Failure to Pay has occurred with respect to one or more of the Obligations; (b) under the terms of such Obligation(s), a grace period is applicable to payments under the Obligation(s); and (c) such grace period does not expire on or prior to such payment date under the Notes, then such Interest Payment Date or, as the case may be, the Maturity Date, shall be postponed until the fifth Business Day after such Potential Failure to Pay has been remedied, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if the Potential Failure to Pay has not been remedied during the applicable grace period.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, as soon as reasonably practicable should the Maturity Date or any payment date be postponed pursuant to the foregoing.

### **19.14 Repudiation/Moratorium Maturity Date Extension**

Unless stated otherwise in the applicable Final Terms if, prior to the Maturity Date under the Notes, (a) "Repudiation/Moratorium" is listed as an applicable Credit Event in the applicable Final Terms; (b) a Potential Repudiation/Moratorium has occurred with respect to one or more of the Obligations; and (c) such Potential Repudiation/Moratorium has not been remedied or rescinded prior to the Maturity Date, then the Maturity Date shall be postponed until the fifth Business Day after such Potential Repudiation/Moratorium has been remedied or rescinded, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if (i) such Potential Repudiation/Moratorium has not been remedied or rescinded by the sixtieth day after the original Maturity Date (or if the Obligation which is the subject of the Potential Repudiation/Moratorium is a Bond, the later of the sixtieth day or the first payment date under such Bond after the Maturity Date), or (ii) a Restructuring (without regard to the Default Requirement) or a Failure to Pay (determined without regard to the Payment Requirement or any change or amendment to such Obligation as a result of such Restructuring), has occurred with respect to any such Obligation.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, as soon as reasonably practicable should the Maturity Date be postponed pursuant to the foregoing.

### **19.15 Restructuring Credit Event Applicable**

Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event, unless otherwise specified in the applicable Final Terms with respect to a specific Reference Entity, the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event. Accordingly, notwithstanding Conditions 19.1 to 19.14 above, where a Restructuring Credit Event has occurred and the Issuer has delivered a Credit Event Notice for an amount that is less than the outstanding Aggregate Nominal Amount of the Notes outstanding immediately prior to the delivery of such Credit Event Notice (the **Exercise Amount**), the provisions of Conditions 19.1 to 19.14 above shall be deemed to apply to a nominal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly. Each such Note shall be redeemed in part (such redeemed part being equal to the resultant figure of the Exercise Amount divided by the number of Notes outstanding).

The Notes shall be deemed to be redeemed *pro rata* in an amount equal to the Exercise Amount only. The Notes in an amount equal to the Outstanding Amount shall remain outstanding and

interest shall accrue on the Outstanding Amount as provided for in Condition 4 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

In respect of any subsequent Credit Event Notices delivered:

- (a) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Aggregate Nominal Amount of the Notes (and not a portion thereof); and
- (b) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the nominal amount is denominated or any integral multiple thereof or the entire then outstanding Aggregate Nominal Amount of the Notes.

*If the provisions of this Condition 19.15 apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.*

If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified in the applicable Final Terms relating to any particular Reference Entity, and Restructuring is the only Credit Event specified in a Credit Event Notice relating to such Reference Entity, then an obligation can only be a Deliverable Obligation if it (a) is a Fully Transferable Obligation and (b) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the applicable Final Terms relating to any particular Reference Entity, and Restructuring is the only Credit Event specified in a Credit Event Notice relating to such Reference Entity, then an obligation can only be a Deliverable Obligation if it (a) is a Conditionally Transferable Obligation and (b) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

## **19.16 General**

For such period of time after the relevant Physical Settlement Date as the Issuer or any other person (other than a Noteholder) shall continue to be the legal owner of the securities, interests or other assets comprising the Deliverable Obligations (the **Intervening Period**), neither the Issuer nor any other such person shall:

- (a) be under any obligation to deliver or procure delivery to such Noteholder(s) or any subsequent beneficial owner of such securities any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such securities; or
- (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities during the Intervening Period; or
- (c) be under any liability to such Noteholder(s) or any subsequent beneficial owner of such securities in respect of any loss or damage which such Noteholder(s) or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities during such Intervening Period (including, without limitation, any loss or damage resulting

from the failure to exercise any or all rights (including voting rights) attaching to such securities during the Intervening Period).

#### 19.17 Terms relating to Successor Events

(a) **Successor**

(i) For the purposes of these Conditions, Successor means:

(A) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

- I. if an entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
- II. if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, 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 directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, 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 Conditions and the Final Terms will be adjusted as provided in paragraph (b) below;
- IV. if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, 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 be a Successor and the Conditions and the Final Terms will be adjusted as provided in paragraph (ii)(b) below;
- V. if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, 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 and the Conditions and the Final Terms will not be changed in any way as a result of the Succession Event; and
- VI. if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, 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 the Relevant Obligations (or, if two or more entities succeed to an equal percentage of the Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

- (B) In relation to a Sovereign Reference Entity, Successor means each entity which becomes a direct or indirect successor such to Reference Entity by way of Succession Event irrespective of whether any such successor assumes any of the obligations of such Reference Entity.
- (ii) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but not earlier than 14 calendar days after the legally effective date of the occurrence of the relevant Succession Event), and with effect from the legally effective date of the occurrence of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (i)(A)(IV above, as applicable; provided that the Calculation Agent will not make any such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in (a) above and paragraphs (a) and (b)(A) of the definition of Succession Event Resolution Request Date (in the case of a Reference Entity that is not a Sovereign) or (b) above and paragraphs (a) and (b)(B) of the definition of Succession Event Resolution Request Date (in the case of a Sovereign Reference Entity) are satisfied in accordance with the Rules (until such time (if any) that ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating whether the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under paragraph (i)(A)(IV above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information (as defined below). In the case of Notes listed on a stock exchange, the appropriate documentation will be filed with the relevant stock exchange.

Where applicable, the Calculation Agent shall apply, *mutatis mutandi*, the Resolution of the relevant Credit Derivatives Determinations Committee relating to a Succession Event to the relevant Notes.

(b) **Adjustments following a Succession Event resulting in more than one Successor**

- (i) If, pursuant to paragraph (a)(i)(A)III or IV above, more than one Successor has been identified, then each Note shall be deemed, solely for purposes of the partial redemption provisions set out in this paragraph (b), to be divided into the same number of new Notes (each a New Note) as there are Successors, with the following terms:
  - (A) each Successor will be the Reference Entity for the purposes of one of the New Notes; and
  - (B) in respect of each New Note, the principal amount will be the principal amount of the Note divided by the number of Successors.



- (ii) If a Credit Event Determination Date occurs in respect of a Reference Entity in relation to a New Note, each Note will be partially redeemed in an amount equal to the principal amount of the relevant New Note (the aggregate of such principal amounts being the relevant Partial Redemption Amount). In such case, the provisions of this Condition 19 and the other provisions of the Final Terms shall apply to a principal amount of the Notes equal to the Partial Redemption Amount only and all such provisions shall be construed accordingly.
- (iii) The Notes, in an amount equal to their outstanding principal amount prior to any such partial redemption less the Partial Redemption Amount, shall remain outstanding (the **Principal Amount Outstanding**), subject to the Conditions and the Final Terms, which shall otherwise continue in full force and effect, including, without limitation, the accrual of interest on the Principal Amount Outstanding of such Notes as provided in Condition 4 and in the Final Terms (adjusted to reflect the partial redemption under this paragraph (b) and otherwise in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).
- (iv) For the avoidance of doubt:
  - (A) notwithstanding the occurrence of a Credit Event in respect of a Reference Entity and partial redemption of the Notes as provided in this paragraph (b), nothing shall prevent the Calculation Agent from delivering a further Credit Event Notice in respect of any Credit Event that may occur in respect of any other Reference Entity; and
  - (B) the provisions of this Condition 19.17 (as a whole) shall apply to the portion of each Note represented by a New Note in the case of any subsequent Succession Event affecting the relevant Reference Entity.
- (v) If the Notes are partially redeemed pursuant to this paragraph (b), each such Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such partial redemption.
- (vi) The Calculation Agent shall adjust any other of the Conditions and/or the applicable Final Terms as it, in its sole and absolute discretion acting in a commercially reasonable manner, 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. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts any of the Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes in accordance with the Definitions.
- (vii) Upon the Calculation Agent determining the identity of more than one Successor in accordance with the provisions of this paragraph (b), the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be), stating the adjustments it has made to the Conditions and/or the applicable Final Terms (including, inter alia, specifying the names of the Successors, setting out the Partial Redemption Amount, and giving brief details of the relevant Succession Event).
- (viii) Where:
  - (A) one or more Successors to the Reference Entity have been identified; and

- (B) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined by the Calculation Agent.

**Substitute Reference Obligation** means, for the purposes of this Condition 19, one or more obligations of the Reference Entity (either directly or as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- I. In the event that (i) a Reference Obligation is redeemed in whole or (ii) all Reference Obligations are being bought with respect to an unconditional public offer, or (iii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.
- II. Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* (or, if no such Obligation exists, then, at the Calculation Agent's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Issue Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent in good faith and a commercially reasonable manner, of the delivery and payment obligations under the Notes and (iii) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation(s).
- III. If more than one specific Reference Obligation is identified as a Reference Obligation in relation to the Final Terms, any of the events set forth under sub-paragraph I above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines in good faith and in a commercially reasonable manner that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute

Reference Obligation is available shall cease to be a Reference Obligation.

- IV. If more than one specific Reference Obligation is identified as a Reference Obligation in the Final Terms, any of the events set forth under sub-paragraph I above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in good faith and a commercially reasonable manner that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- V. If (i) more than one specific Reference Obligation is identified as a Reference Obligation in relation to any Series, any of the events set forth in sub-paragraph I above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines in good faith and a commercially reasonable manner that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth in sub-paragraph I above has occurred with respect to such Reference Obligation and the Calculation Agent determines in good faith and a commercially reasonable manner that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (A) either (i) Cash Settlement is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or (ii) either Auction Settlement or Physical Settlement is specified as the Settlement Method in the applicable Final Terms (or, in the case of Physical Settlement, is applicable pursuant to the Fallback Settlement Method) and, in each case, the Reference Obligation is the only Deliverable Obligation and (B) on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), a Substitute Reference Obligation has not been identified, the Issuer shall have the right on or after the Extension Date to early redeem the Notes at the Early Redemption Amount (determined by the Calculation Agent taking into account the creditworthiness of the Reference Entity at the time of early redemption) by notice to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

- (ix) For the purposes of this paragraph (b), the following definitions shall apply and, where relevant, shall modify the definitions set out elsewhere in the Conditions and/or the applicable Final Terms:

**Best Available Information** means:

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

Information which is made available more than 14 days after the legally effective date of the Succession Event shall not constitute Best Available Information.

**Relevant Obligations** means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity to which such Relevant Obligations are transferred on the basis of the Best Available Information. If the date on which the Best Available Information is available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

**Succession Event** means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, "Succession Event" shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (B) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is

Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) applicable to the relevant Series.

**Succession Event Backstop Date** means (i) for purposes of any event that constitutes a Succession Event for purposes of the relevant Notes, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) or (ii) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Succession Event Notice is effective and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is delivered by the Calculation Agent to the Principal Paying Agent not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless specified in the applicable Final Terms that the Succession Event Backstop Date will be adjusted in accordance with a specified Business Day Convention.

**Succession Event Notice** means an irrevocable notice from the Calculation Agent to the Issuer that describes a Succession Event that occurred on or after the Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, of (i) whether a Succession Event has occurred and (ii) if relevant, the identity of any Successor(s).

**Succession Event Resolution Request Date** means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event for purposes of a Series has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (A) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (B) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

For the purposes of this Condition 19.17, **succeed** means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to sub-paragraph (a)(1)(aa) above shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of

Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

Subsequent to a Succession Event, the Obligation Characteristics and Deliverable Obligation Characteristics of any Successor shall continue to be the same Obligation Characteristics and Deliverable Obligation Characteristics of the relevant predecessor Reference Entity of such Successor, unless the Calculation Agent notifies the Issuer and the Noteholders that the Obligation Characteristics and/or Deliverable Obligation Characteristics have been updated to reflect the then market standard based upon each such Successor's geographic region of organisation or jurisdiction.

#### **19.18 Consequences of an Early Amortisation of the Reference Obligation**

If the Reference Obligation Notional Amount, as specified in the applicable Final Terms, is subject to reduction as a result of scheduled or accelerated amortisation, acceleration of payment obligations, redemption or otherwise, but excluding any payment in respect of principal representing capitalised interest (an **Early Amortisation**), then the Issuer may elect in its sole and absolute discretion, after giving Notice to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be:

- (a) to maintain the terms and conditions of the Notes unaltered;
- (b) to partially redeem each Note within five (5) Business Days following the Early Amortisation Date by an amount (the **Redeemed Amount**) equal to its pro rata share of the Fair Market Value of such portion of the Reference Obligation Notional Amount early amortised on the Early Amortisation Date (as defined below) (where such pro rata share will be determined by reference to the proportion of the outstanding Aggregate Nominal Amount of the Notes), plus interest for the period from and including the Early Amortisation Date to but excluding the redemption date calculated on the basis of a rate of interest equal to the arithmetic mean of EONIA Fixed (as defined below) on the Early Redemption Date. The Specified Denomination, the formula or any other characteristics of the Notes shall be adjusted accordingly by the Calculation Agent to reflect such Early Amortisation. For the avoidance of doubt, the portion of the Notes not affected by the Early Amortisation shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be; or
- (c) to redeem in whole all but not some only of the Notes at their Fair Market Value.

**EONIA Fixed** means the reference rate as determined on the Early Redemption Date equal to:

- (a) the European Overnight Index Average for deposits in Euro as calculated on a daily basis under the supervision of the European Network of Central Banks and broadcast on the immediately following TARGET2 Business Day on page EONIA of the Reuters Monitor Money Rates Service (or any replacement page on that service) or, if no such service is available, the rate which appears on any other service which displays an average overnight rate for deposits in Euro as calculated on a daily basis selected by the Calculation Agent in its sole and absolute discretion (the **EONIA Screen Rate**); or
- (b) if no EONIA Screen Rate is available, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Calculation Agent at its request quoted to the Reference Banks by leading banks in the European interbank market on the immediately following TARGET2 Business Day for overnight deposits in Euro.

### 19.19 Specific adjustments regarding credit indices and index tranches

With respect to a credit index or an index tranche referred to in the payouts entitled “Basket/Index Credit Linked Notes”; “Index Tranche Credit Linked Notes”, “<sup>n</sup><sup>th</sup> to Default Credit Linked Notes Early Redeemed” and “<sup>n</sup><sup>th</sup> to Default Credit Linked Notes Redeemed at Maturity” in paragraph 4.3 of the Technical Annex, upon the occurrence of an event that the Calculation Agent considers, acting in a commercially reasonable manner, as materially impacting the credit index or the index tranche (including but not limited to trading disruptions, market instability or force majeure events), the Calculation Agent shall (i) apply the fallback provisions set forth in the relevant underlying hedging agreement entered into by the Issuer which shall be disclosed in the applicable Final Terms or (ii) if such relevant hedging agreement is not communicated by the Issuer, the Calculation Agent shall apply the fallback provisions that it considers as appropriate given the circumstances, acting in a commercially reasonable manner.

### 19.20 Definitions

For the purposes of this Condition 19 (unless otherwise specified in the applicable Final Terms or the context otherwise requires):

**2005 Matrix Supplement** means the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA on 7 March 2005.

**Accelerated or Matured** means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, 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.

**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 relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if such Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Deliverable Obligation Category).

**Auction** has the meaning set forth in the relevant Transaction Auction Settlement Terms as amended, if applicable, by the Auction Resolution.

**Auction Cancellation Date** has the meaning set forth in the relevant Transaction Auction Settlement Terms.

**Auction Final Price** has the meaning set forth in the relevant Transaction Auction Settlement Terms.

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

**Auction Settlement** means settlement in accordance with Condition 19.3.

**Auction Settlement Amount** means an amount, based on the Auction Final Price determined and calculated as specified in the applicable Final Terms.

**Bankruptcy** means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (h) (inclusive).

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

**Bond or Loan** means any obligation that is either a Bond or a Loan.

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

**Business Day** means Business Day as defined in Condition 4.2(a) and, in the case of Notes that the Issuer is to redeem by means of Physical Settlement, for the purposes of the Delivery of Deliverable Obligations, a day in any other jurisdiction on which securities settlement systems are open for settlement of the relevant Deliverable Obligations;

**Business Day Convention** means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustments will be made if that date would otherwise fall on a day that is not a Business Day so that:

- (a) if "Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day;
- (b) if "Modified Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and



- (c) if "Preceding" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first preceding day that is a Business Day;

**Cash Settlement Amount** means, unless specified otherwise in the applicable Final Terms, for each obligation being valued, including but not limited to each Reference Obligation, the greater of (i) the aggregate of (A) the outstanding principal balance, Due and Payable Amount or Currency Amount, as applicable, of each such Reference Obligation being valued as selected by the Calculation Agent in its sole and absolute discretion in the Reference Obligation Notice, multiplied by the (B) Final Price with respect to such Reference Obligation and (ii) zero.

**Cash Settlement Date** shall be the date that is three Business Days after the calculation of the Final Price or such other date as is specified in the applicable Final Terms.

**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, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition.

**Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Deliverable Obligation Category).

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

**Credit Derivatives Determinations Committees** means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof (the Rules).

**Credit Event** means any one or more of the events specified as such in the applicable Final Terms among Bankruptcy, Failure to Pay, Loss Event, Obligation Acceleration, Obligation Default, Repudiation/Moratorium and Restructuring.

**Credit Event Backstop Date** means (a) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition of Repudiation/Moratorium) for purposes of the relevant Notes, 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) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during the Notice Delivery Period and (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraph (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, 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, in respect of any Credit Event:

- (a) subject to subsection (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during either:
  - (i) the Notice Delivery Period; or
  - (ii) the period (I) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date (II) 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)); or
- (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred, either:
  - (i) the Credit Event Resolution Request Date, if either:
    - (A) (1) "Buyer or Seller" or neither "Buyer" nor "Seller" is specified as the applicable Hedging Arrangement Notifying Party in the applicable Final Terms;
    - (2) the relevant Credit Event is not a Restructuring; and
    - (3) either:
      - (y) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or

- (z) Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms and the Trade Date occurs on or prior to the relevant DC Credit Event Announcement; or
  - (B) (1) either:
    - (y) "Buyer" or "Seller" is specified as the only applicable Hedging Arrangement Notifying Party in the applicable Final Terms and "Auction Settlement" is specified as the applicable Settlement Method in the applicable Final Terms; or
    - (z) the relevant Credit Event is a Restructuring; and
  - (2) the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the date falling two Business Days after the Exercise Cut-off Date; or
- (ii) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective during (I) the Notice Delivery Period or (II) the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant DC Credit Event Announcement 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)), if either:
  - (A) (1) "Buyer or Seller" or neither "Buyer" nor "Seller" is specified as the applicable Hedging Arrangement Notifying Party in the applicable Final Terms;
  - (2) the relevant Credit Event is not a Restructuring;
  - (3) Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; and
  - (4) the Trade Date occurs following the relevant DC Credit Event Announcement; or
  - (B) (1) "Buyer" or "Seller" is specified as the only applicable Hedging Arrangement Notifying Party in the applicable Final Terms; and
  - (2) either:
    - (y) "Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; or
    - (z) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on a date that is later than the date falling two Business Days after the relevant Exercise Cut-off Date,

provided that, in the case of paragraph (b) above, no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request 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 relevant Settlement Date, the Credit Event Redemption Date or the Scheduled Termination Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity or Obligation thereof.

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 a preceding Interest Payment Date, the Calculation Agent will determine (1) such adjustment(s) to these provisions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Noteholders as would have prevailed had a Credit Event Determination Date not occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s).

**Credit Event Notice** means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time and on or prior to of the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

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 Auction Settlement Amount, the Delivery of Deliverable Obligations in accordance with Physical Settlement or the Cash Settlement Amount (as appropriate).

**Credit Event Redemption Date** means (i) in the case of Auction Settlement, the Auction Final Price Determination Date, (ii) in the case of Cash Settlement, the Cash Settlement Date; (ii) in the case of Physical Settlement, the Physical Settlement Date or, (iii) if Physical Settlement applies, but on the Physical Settlement Date, some or all of the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered for any reason as set out in Condition 19.8, 19.9, 19.10 and 19.11 above, the Partial Cash Settlement Terms (as set out in Condition 19.12) will apply. In such case: (A) if all such Deliverable Obligations cannot be Delivered as aforementioned, the Credit Event Redemption Date will be the Cash Settlement Date (as defined in Condition 19.12), or (B) if only some of such Deliverable Obligations cannot be delivered as aforementioned, the Credit Event Redemption Date for all such Deliverable Obligations shall be the later of (1) the Cash Settlement Date that applies to such Deliverable Obligations that cannot be Delivered as aforementioned, and (2) the Physical Settlement Date for such Deliverable Obligations which can be Delivered.

**Credit Event Resolution Request Date** means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions referred to in paragraphs (a) and (b) above.

**DC Credit Event Announcement** means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof) and (b) such event occurred on or after the Credit Event Backstop Date (determined by reference to the Relevant Time) and on or prior to the Extension Date (determined by reference to the Relevant Time). A DC Credit Event Announcement will be deemed not to have occurred unless (i) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

**DC No Credit Event Announcement** means with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

**DC Resolution** has the meaning set out in the Rules.

**Default Requirement** means the amount specified as such in the applicable Final Terms, and if none is specified, the amount will be US\$ 10,000,000 or the equivalent in any other currency.

**Deliver** means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying 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 and interest in the Deliverable Obligations to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor) provided that if the Deliverable Obligations consist of Qualifying Guarantees, "Deliver" means to deliver both the Qualifying Guarantee and the Underlying Obligation. "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.

**Delivery Agent** means the Issuer or such other entity designated for such purpose as specified in the applicable Final Terms.

**Deliverable Obligation** means:

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance company or similar entity if such entity is a Reference Entity) or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category and having each of the Deliverable Obligation Characteristics, in each case, as of the Delivery Date (but excluding any Excluded Deliverable Obligation) that is (i) payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in Condition 19.1(b)(i)-(iii) or right of set off by or of a Reference Entity or any applicable Underlying Obligor, and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (b) subject to the second sentence in the definition of "Not Contingent", each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than as set out in Condition 19.1(b)(i)-(iii)) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any other obligation of a Reference Entity specified as such in the applicable Final Terms,

provided that:

- (i) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" are specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Fully Transferable Obligation, and (B) has a final maturity date not later than the Restructuring Maturity Limitation Date; and
- (ii) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" are specified as applicable in the applicable Pricing Circular Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice then a Deliverable Obligation

may be specified in the Notice of Physical Settlement only if it (A) is a Conditionally Transferable Obligation, and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

The Deliverable Obligations to be Delivered by the Issuer to the Noteholders shall have an outstanding principal balance (excluding accrued interest) equal to the outstanding Aggregate Nominal Amount of the Notes, subject to Condition 19.11 above.

If the term "Deliverable Obligation" is to apply to Notes to be redeemed by the Issuer by means of Cash Settlement, references to "Delivery Date" shall be deemed to be references to "Valuation Date".

**Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Sovereign Lender, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, as specified in the related Final Terms. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as Deliverable Obligation Category and more than one Assignable Loan, and Consent Required Loan are specified as Deliverable Obligation Characteristics, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

**Disrupted Day** means any day on which a Market Disruption Event has occurred.

**Domestic Currency** means the currency specified as such in the related Final Terms and any successor currency. If no currency is specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro (or any successor currency to any such currency).

**Downstream Affiliate** means (a) 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 more than 50 per cent. owned, directly or indirectly, by the Reference Entity or (b) of Provisions relating to Qualifying Guarantee and Underlying Obligation are specified as applying in the applicable Final Terms, an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity. As used herein, **Voting Shares** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**Due and Payable Amount** means, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

**Early Amortisation Date** means the Business Day on which the Redeemed Amount plus accrued interest is actually paid to the as holder of the Reference Obligation.

**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 specified in sub-paragraph (c)(i) below); 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 the preceding sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100 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 (a), (b), (c)(ii) or (d); or
- (d) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to U.S.\$ include equivalent amounts in other currencies.

**Event Determination Date** means, in respect of any Credit Event, the first date on which the related Credit Event Notice and, if specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are effective in accordance with the Conditions.

**Excluded Obligation** means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

**Expected Payment Amount** means a payment of interest or principal due or scheduled to be paid pursuant to the terms of the Reference Obligation or any financial guarantee insurance policy or similar financial guarantee in respect of the Reference Obligation.

**Extension Date** means the latest of (a) the Scheduled Termination Notice Date; (b) the Grace Period Extension Date if (i) "Grace Period Extension" is specified as applying in the applicable Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); and (c) the Repudiation/Moratorium



Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in paragraph (b) of the definition of Repudiation/Moratorium occurs after the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and (iii) the Repudiation/Moratorium Extension Condition is satisfied;

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

**Fallback Settlement Method** means, with respect to Notes for which Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, the fallback settlement method specified in the applicable Final Terms.

**Final List** has the meaning set out in the Rules.

**Final Price** means the price, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms.

**Fitch** means Fitch Ratings Limited

**Full Quotation** means, in accordance with the Quotation Method each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance 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. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of Fully Transferable Obligation, such determination shall be made as of the Delivery Date, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

**Governmental Authority** means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**Grace Period Extension Date** means, if:

- (a) Grace Period Extension is specified as applying in the applicable Final Terms; and

- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time),

the date falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

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

**Latest Maturity Restructuring Bond or Loan** has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

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

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

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

**Loss Event** means, as determined by the Calculation Agent in its sole and absolute discretion: (i) the occurrence of a Principal Reduction pursuant to the terms of the Reference Obligation; and (ii) the satisfaction of one or more of the following conditions: (a) the terms of the Reference Obligation do not provide for the reinstatement or reimbursement of the Principal Reduction; or, (b) the terms of the Reference Obligation do not provide for interest to be paid, at the Scheduled Interest Rate, on the Principal Reduction, from the day of the Principal Reduction until the day on which such Principal Reduction is reinstated or reimbursed in full; or, (c) the terms of the Reference Obligation do not provide for interest to be paid, at a rate at least equal to the Scheduled Interest Rate, on the interest which would have accrued on the Principal Reduction from the day of the Principal Reduction until the day on which such Principal Reduction is reinstated or reimbursed in full.

**Maximum Maturity** means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the related Final Terms.

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

**Modified Restructuring Maturity Limitation Date** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Termination Date, provided that, in circumstances where the Scheduled Termination Notice Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Where "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and the Scheduled Termination Notice Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Termination Notice Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Termination Notice Date is later than (A) the 2.5 year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Termination Notice Date.

**Moody's** means Moody's Investors Service Ltd.

**Movement Option** means, where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms, and where a No Auction Announcement Date has occurred pursuant to paragraph (b) 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 be specified in any Calculation Agent Physical Settlement Notice (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the Securities will be settled in accordance with the Fallback Settlement Method. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

**Movement Option Cut-off Date** means the date that is six Relevant City Business Days following the Exercise Cut-off Date.

**Multiple Holder Obligation** means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b).

**No Auction Announcement Date** means, with respect to a Credit Event, the date on which ISDA 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 a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms only, 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 ISDA to the contrary.

**Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Clearstream, Luxembourg, Euroclear or any other internationally recognised clearing system. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Not Bearer is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the specified Deliverable Obligation Category).

**Not Contingent** means any obligation having as of the Physical Settlement Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be

reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment or, in the case of any Qualifying Guarantee, the beneficiary's giving notice that a payment is due under such Qualifying Guarantee or any other similar procedure requirement). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Physical Settlement Date.

**Not Domestic Currency** means any obligations that is payable in any currency other than the Domestic Currency.

**Not Domestic Issuance** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for primarily in the domestic market of the Reference Entity.

**Not Domestic Law** means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign. Unless otherwise specified in the related Final Terms, the laws of England and the laws of the State of New York shall not be a Domestic Law.

**Not Sovereign Lender** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

**Not Subordinated** means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under paragraph I of the definition of Substitute Reference Obligation has occurred with respect to all of the Reference Obligations or if the final paragraph of the definition of Successor is applicable with respect to the Reference Obligation (each, in each case, a **Prior Reference Obligation**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date.

**Notice Delivery Period** means the period from and including the Issue Date to and including the Maturity Date.

**Notice of Physical Settlement** means an irrevocable notice from the Issuer that confirms that the Issuer will Deliver the Deliverable Obligations to the Noteholder, containing a detailed description of the type of Deliverable Obligations that the Issuer reasonably expects to Deliver, which may be amended to the extent that the Calculation Agent determines that it is impracticable to Deliver such Deliverable Obligations.

**Notice of Publicly Available Information** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer and the Principal Paying Agent that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. The notice given must contain a copy or a description in reasonable detail of the relevant Publicly Available Information. If Notice of Publicly Available Information is a Condition to Settlement in the Final Terms and a Credit Event Notice cites Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information.

**Notice to Exercise Movement Option** means, where (a) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and (b) the Fallback Settlement Method would otherwise be applicable pursuant to the Auction Settlement provisions, a notice from the Issuer to the Calculation Agent that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

**Obligation** means (a) any obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if applicable to any monoline insurance company or similar entity if such entity is a Reference Entity) or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) described in the Obligation Category and having the Obligation Characteristics specified in the applicable Final Terms, (b) each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Obligation, and (c) any other obligation of the Reference Entity specified in the applicable Final Terms.

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

**Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms.

**Obligation Characteristics** means any one or more of Not Subordinated, Not Sovereign Lender, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, and Not Domestic Issuance as specified in the related Final Terms.

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

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

**Outstanding Amount** means, where Notes have been redeemed *pro rata* in an amount equal to the Exercise Amount following the occurrence of a Restructuring Credit Event, the amount of Notes

remaining after such redemption, being equal to the outstanding Aggregate Nominal Amount of the Notes prior to such redemption less the Exercise Amount.

**Parallel Auction Settlement Terms** means, following the occurrence of a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, 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.

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

**Payment Requirement** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if Payment Requirement is not so specified, U.S.\$1,000,000 or its equivalent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**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 in the Final List pursuant to the Deliverable Obligation Terms applicable to the relevant Auction.

**Permitted Currency** means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership); or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard and Poor's or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's or any successor to the rating business thereof or AAA or higher assigned to it by Fitch or any successor to the rating business thereof.

**Physical Settlement** means Delivery of the Deliverable Obligations in accordance with Condition 19.6 above and Condition 19.12.

**Physical Settlement Date** means the date which is specified as such in the applicable Final Terms.

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

**Potential Repudiation/Moratorium** means the occurrence of an event described in part (a) of the definition of "Repudiation/Moratorium".

**Principal Reduction** means a reduction in the principal amount of the Reference Obligation other than in connection with a scheduled or non-scheduled payment of principal. For the avoidance of doubt any such scheduled or non-scheduled payment of principal shall include any scheduled or accelerated amortisation, acceleration of payment obligations with regard to principal or redemption.

**Public Source** means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not specified in the applicable Final Terms, each of

Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (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 a 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 provided that, if either the Calculation Agent or the Issuer, the Guarantor (if any) or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer, the Guarantor (if applicable) or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
  - (ii) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a 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 petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or
  - (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.
- (b) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by a Managing Director (or other substantially equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.
- (c) In relation to any information of the type described in paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the 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 the party receiving such information.
- (d) Publicly Available Information need not state:
  - (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and

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

**Qualifying Guarantee** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the Underlying Obligation) for which another party is the obligor (the Underlying Obligor), and (except where provisions relating to Qualifying Guarantee and Underlying Obligation are specified as applying in the applicable Final Terms) that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be (a) discharged, reduced, assigned or otherwise altered or (b) where provisions relating to Qualifying Guarantee and Underlying Obligation are specified as applying in the applicable Final Terms, discharged, reduced or otherwise altered or assigned (other than by operation of law), in each case as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

**Qualifying Policy** means (i) a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all interest and principal payments (which may exclude certain default interest and indemnities) of an instrument that constitutes borrowed money for which another party (including a special purpose entity or trust) is the obligor, and (ii) an Obligation and Deliverable Obligation (which for the avoidance of doubt, must satisfy the relevant Deliverable Obligation Characteristics in respect of the relevant Reference Entity) in each case a Reference Entity is a monoline insurance company, notwithstanding the relevant Final Terms.

**Quotation** means each Full Quotation, 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 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 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 shall are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which the firm quotations were not obtained on such day.



**Quotation Method** means the applicable quotation method which may be specified in the Final Terms as being one of the following:

- (a) **Bid** means that only bid quotations shall be requested;
- (b) **Mid** means that the bid and offer quotations shall be requested and averaged for the purposes of determining a relevant Dealer's quotation; or
- (c) **Ask** means that only offer quotations shall be requested.

**Reference Entity** means each entity specified as such in the applicable Final Terms. In addition, any Successor to a Reference Entity either (a) identified pursuant to the definition of "Successor" in these Conditions on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules shall, in each case, be the Reference Entity for the purposes of the relevant Series; or

**Reference Obligation** means any obligation specified as such or of a type described in the applicable Final Terms and any Substitute Reference Obligation.

**Reference Obligation Notice** means an irrevocable notice from the Issuer sent not later than thirty (30) calendar days following the relevant Event Determination Date that includes a description of the Reference Obligation(s) to be used for valuation of the Cash Settlement Amount as follows:

- (a) title or designation;
- (b) maturity date; and
- (c) in the case of a Bond, the ISIN or CUSIP number.

**Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

**Reference Period** means the period from and including the Issue Date until and including the Scheduled Termination Date (without prejudice to Conditions 19.13 and 19.14) or such other period as is specified in the applicable Final Terms.

**Reference Price** means the price specified as such in the applicable Final Terms, and if none is specified, 100 per cent.

**Repudiation/Moratorium** means the occurrence of both of the following events:

- (a) an authorised officer of a 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 (if any), 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 (if any) and
- (b) as Failure to Pay, determined without regard to the Payment Requirement or any change or amendment to any such Obligation as a result of (ii) above, or a Restructuring, determined

without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date (determined by reference to Greenwich mean time (or, if the Transaction Type of the Relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), (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 Extension Date shall occur no later than the Scheduled Termination Notice Date unless the Repudiation/Moratorium Extension Condition is satisfied.

**Repudiation/Moratorium Extension Condition** will be satisfied: (i) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Termination Notice Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium for purposes of a Series has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) or (ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available is specified as applicable in the applicable Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Termination Notice Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Termination Notice Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium for purposes of a Series with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium for purposes of a Series has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

**Repudiation/Moratorium Extension Notice** means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Calculation Agent to the 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 Scheduled Termination Notice Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**Resolve** has the meaning set out in the 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 a Restructuring has occurred.

**Restructuring** means:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement (if any), any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the (i) Credit Event Backstop Date applicable to a Series and (ii) the date as of which such Obligation is issued or incurred:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.
- (b) Notwithstanding the above, none of the following shall constitute a Restructuring: (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the Functioning of the European Union; (ii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) - (v) above due to any administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and (iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) - (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, or the Reference Obligation.

- (c) For purposes of (a) and (b) above and (d) below, the term "Obligation" shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) shall continue to refer to the Reference Entity.
- (d) Unless Multiple Holder Obligation is specified as not applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in (a), (b) or (c) above, the occurrence of, agreement to or announcement of any of the events described in (a)(i) - (v) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**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 Scheduled Termination Notice Date, provided that, in circumstances where the Scheduled Termination Notice Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Termination Notice 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.

In the event that the Scheduled Termination Notice Date is later than (i)(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Termination Notice Date.

**Rules** has the meaning given to that term in the definition of "Credit Derivatives Determinations Committee" above.

**Scheduled Maturity Date** means the date specified as such in the applicable Final Terms.

**Scheduled Termination Date** means the earlier of (i) the date at which the outstanding principal amount of the Reference Obligation has been reduced to zero; and (ii) the date specified as such in the applicable Final Terms.

**Scheduled Termination Notice Date** means the day falling two Business Days immediately preceding the Scheduled Termination Date;

**Securities Act** means the U.S. Securities Act of 1933, as amended;

**Settlement Method** means, if (a) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Auction Settlement, (b) Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms, Physical Delivery.

**Specified Currency** means an obligation that is payable in the currency or currencies specified as such in the related Final Terms (or, if Specified Currency is specified in the related Final Terms and no currency is specified, any of the lawful currencies 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 currencies shall be referred to collectively as the **Standard Specified Currencies**).

**Sovereign** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including without limiting the foregoing, the central bank) thereof.

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

**Standard & Poor's** means S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc.

**Subordination** means, with respect to an obligation (the Subordinated Obligation) and another obligation of the Reference Entity to which such obligation is being compared (the Senior 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 Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain 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 Senior 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, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement 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.

**Transaction Auction Settlement Terms** means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms with respect to the relevant Reference Entity.

**Transaction Type** means, in respect of a Reference Entity, the Transaction Type specified in respect of such Reference Entity in the applicable Final Terms.

**Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following will 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 Securities Act (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); or

- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Transferable is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified Deliverable Obligation Category).

**Unwind Amount** means in respect of any Note the amount specified in the applicable Final Terms or if "*Standard Unwind Costs*" are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* in respect of each Note (where such apportionment will be determined by reference to the proportion that the outstanding nominal amount of any Note bears to the outstanding Aggregate Nominal Amount of the Notes).

**Valuation Date** means the date specified in the applicable Final Terms.

**Valuation Time** means the relevant time specified in the applicable Final Terms, or if "Calculation Agent" is specified, any time (as selected by the Calculation Agent in its sole and absolute discretion) on the Valuation Date during the hours that Dealers customarily bid for obligations such as the Reference Obligation.

***PART B – 2014 ISDA CREDIT DERIVATIVES DEFINITIONS***

**19.21 Payment of Credit Linked Interest upon occurrence of a Credit Event**

If payment of Interest under the Notes is conditional upon the occurrence or the non-occurrence of a Credit Event on a Reference Obligation or Reference Entity during the Reference Period, the applicable Final Terms will provide for the formula and/or conditions of such payment in accordance with the provisions of the Technical Annex.

**19.22 Redemption of Credit Linked Notes upon occurrence of a Credit Event**

**(a) Credit Event Notice**

If at any time the Calculation Agent determines that a Credit Event has occurred during the Reference Period, whether or not such event is continuing, the Issuer may give a Credit Event Notice during the Notice Delivery Period to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of its intention to redeem the Credit Linked Notes (other than principal protected Credit Linked Notes), and if such notice is so given, the Issuer shall, unless otherwise specified in the applicable Final Terms and in accordance with the provisions of the Technical Annex, redeem all but not some only of the Credit Linked Notes then outstanding on the Credit Event Redemption Date, subject to the provisions of Condition 19.35, as determined by the Calculation Agent in its sole discretion. Such redemption shall occur by Physical Settlement and/or, if so specified in the applicable Final Terms, Cash Settlement or Auction Settlement.

The Credit Event Redemption Date may be a date falling after the originally scheduled Maturity Date in which case the originally scheduled Maturity Date shall be deemed to be replaced by the relevant date specified in the Credit Event Notice or otherwise notified to the Noteholders.

For the avoidance of doubt and notwithstanding any other provision of these Conditions, no amount of interest shall be payable on the Notes from (and including) the Interest Payment Date (or, the Interest Commencement Date) immediately preceding the date on which the Credit Event occurred, unless otherwise specified in the applicable Final Terms.

The Credit Event Notice shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, and shall:

- (i) describe the grounds on which the Calculation Agent has determined that a Credit Event has occurred (but need not assert that a Credit Event is continuing);
- (ii) specify the Credit Event Determination Date; and
- (iii) confirm that either (A) the Notes will be redeemed by Delivery of the Deliverable Obligations as specified in the Notice of Physical Settlement (in the case of Physical Settlement and subject to the provisions of Condition 19.14) or (B) the Notes will be redeemed at their Cash Settlement Amount (in the case of Cash Settlement) or (C) the Notes will be redeemed at their Auction Settlement Amount (in the case of Auction Settlement), in each case on the Credit Event Redemption Date.

Unless otherwise stated in the applicable Final Terms in respect of principal protected Credit Linked Notes, once a Credit Event has occurred during the Reference Period and a Credit Event Notice has been issued, the Issuer's only obligation, other than to deliver a Notice of Publicly Available Information (if specified in the applicable Final Terms) and, in the case of Physical Settlement, a

Notice of Physical Settlement, shall be to deliver (subject to the provisions of Conditions 19.8, 19.9, 19.10 and 19.11 above) the Deliverable Obligations (in the case of Physical Settlement) and/or pay the Cash Settlement Amount (in the case of Cash Settlement) or, as the case may be, pay a *pro rata* amount in respect of each Note of the Auction Settlement Amount (in the case of Auction Settlement), on the Credit Event Redemption Date. Upon Delivery of the Deliverable Obligations and/or, as the case may be, payment of the Cash Settlement Amount or Auction Settlement Amount in respect of each Note, the Issuer shall have discharged all of its obligations in respect of such Note and shall have no other liability or obligation whatsoever in respect thereof.

Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event, there may be more than one Credit Event Notice delivered in respect of the same Reference Entity, as further described in Condition 19.35 below.

If "First to Default Credit Linked Note" is specified as "Applicable" in the Final Terms, then this paragraph (a) shall apply only to the Reference Entity in respect of which a Credit Event has occurred first in time with respect to the other Reference Entities specified in the Final Terms.

**(b) Determination of the occurrence of a Credit Event**

The Calculation Agent shall determine whether or not a Credit Event has occurred during the Reference Period. The Calculation Agent shall, however, have no duty or responsibility to investigate or check whether such Credit Event has or may have occurred or is continuing on any date and shall be entitled to assume, in the absence of actual knowledge to the contrary of the employees or officers of the Calculation Agent directly responsible for the time being for making determinations hereunder, that no Credit Event has occurred or is continuing.

When determining the existence or occurrence of any Credit Event, the determination shall be made without regard to:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) 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
- (iv) 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.

If the Calculation Agent determines in its sole and absolute discretion that a Credit Event has occurred during the Reference Period it shall promptly notify the Issuer and the Agent. The determination by the Calculation Agent of the occurrence of a Credit Event shall (in the absence of wilful default, bad faith or manifest error) be conclusive and binding on all persons (including, without limitation, the **Noteholders**).



(c) **Calculation Agent and notices**

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under or pursuant to this Condition shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under or pursuant to the Notes including, without limitation, the giving of any notice to any party, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

A notice delivered by the Calculation Agent to the Issuer and/or the Agent on or prior to 5.00 p.m., Luxembourg time on a TARGET2 Business Day will be effective on such TARGET2 Business Day. A notice delivered after 5:00 p.m., Luxembourg time will be deemed effective on the next following Business Day regardless of the form in which it is delivered. For the purposes of the two preceding sentences, 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 such notice within one TARGET2 Business Day of such notice.

**19.23 Auction Settlement**

Where the Issuer is to redeem Notes by means of Auction Settlement, the redemption of each Note shall be effected by the payment of the Auction Settlement Amount on the Credit Event Redemption Date, such amount to be apportioned pro rata among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency.

Unless settlement has occurred in accordance with the above paragraph, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option), (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date, (d) a Credit Event Determination Date was determined pursuant to paragraph (a)(i) of the definition of Credit Event Determination Date or paragraph (a) of the definition of Non-Standard Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Credit Event Determination Date or (e) if the Issuer (or an affiliate acting on behalf of the Issuer) otherwise determines that it is appropriate by reference to its and/or any of its affiliates' Hedge Positions:

- (a) if "Fallback Settlement Method – Physical Settlement" is specified as applicable in the applicable Final Terms, the Issuer shall redeem the Notes in accordance with Condition 19.6; or
- (b) if "Fallback Settlement Method – Cash Settlement" is specified as applicable in the applicable Final Terms, the Issuer shall redeem the Notes in accordance with Condition 19.7.

## 19.24 Market Disruption

**Market Disruption Event** means the occurrence or existence of a specific circumstance or a combination of circumstances, which in either case the Calculation Agent determines is material and which objectively prevents it from determining whether a Knock-in or Knock-out Event has occurred, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the event triggers respectively the Knock-in Level or the Knock-out Level or (b) in all other circumstances ends at the relevant Valuation Time.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Knock-in Determination Day, a Knock-out Determination Day or a Valuation Date.

## 19.25 Knock-in Event and Knock-out Event

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the Knock-in Level or the Knock-out Level has been triggered, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of this Condition 19:

**Knock-in Event** means an event specified as such in the applicable Final Terms as of the Knock-in Valuation Time on any Knock-in Determination Day and which may be an event *per se*, specified in the applicable Final Terms or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

**Knock-in Level** means a level specified as such in the applicable Final terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 19.4 above.

**Knock-in Determination Day** means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the

provisions of "Market Disruption" set out in Condition 19.4 above. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

**Knock-out Event** means an event specified as such in the applicable Final Terms as of the Knock-out Valuation Time on any Knock-out Determination Day and which may be an event *per se* or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

**Knock-out Level** means a level determined as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 19.4 above.

**Knock-out Determination Day** means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 19.4 above. For the purposes of a Market Disruption, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 19.26 Physical Settlement

Where the Issuer is to redeem the Notes by means of Physical Settlement, the redemption of each Note shall, subject as provided in Condition 5.7, be effected by the Delivery Agent on behalf of the Issuer to the Noteholders of the Deliverable Obligations on the Credit Event Redemption Date.

If Unwind Amount is specified as "Applicable" in the Final Terms, then the Delivery Agent on behalf of the Issuer shall deliver the Deliverable Obligations subject to adjustment after taking into consideration the Unwind Amount pursuant to the following:

- (a) if the Unwind Amount results in a net loss to the Issuer, then an amount of the Deliverable Obligations equivalent in value to such net loss shall be sold by the Issuer to compensate it therefor, and the remaining portion of the Deliverable Obligations, if any, shall be delivered; or
- (b) if the Unwind Amount results in a net gain to the Issuer, such net gain shall be paid in cash to the Noteholders in addition to the Deliverable Obligations.

In the case of Deliverable Obligations that are Borrowed Money obligations, (i) the Issuer will Deliver Deliverable Obligations with an Outstanding Principal Balance or Due and Payable Amount, as the case may be, (including accrued but unpaid interest (as determined by Calculation Agent) if "Include Accrued Interest" is specified in the Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified in the Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the Final Terms, excluding accrued but unpaid interest) and (ii) in the case of Deliverable Obligations that are not Borrowed Money obligations, the Issuer will Deliver Deliverable Obligations with a Due and Payable Amount (or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount), in an aggregate amount as close as possible to the outstanding Aggregate Nominal Amount of the Notes.

The portion of Deliverable Obligations deliverable in respect of each Note shall be determined by reference to the proportion that the Specified Denomination of such Note bears to the outstanding Aggregate Nominal Amount of the Notes. If a Deliverable Obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance or Due and Payable Amount, as the case may be, of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance or Due and Payable Amount, as the case may be, of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

Unless otherwise specified in the applicable Final Terms, a Notice of Physical Settlement must be delivered by the Issuer to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, on or before the 30th calendar day after the relevant Event Determination Date (such 30th calendar day being the **Physical Determination Date**). For purposes of determining whether such Notice of Physical Settlement has been so delivered by the Physical Determination Date, the date on which the Notice of Physical Settlement is given (whether or not subsequently changed) shall be used.

For the avoidance of doubt, failure to deliver a Notice of Physical Settlement to the Noteholders shall not relieve the Issuer from its obligation to redeem the Notes. If on the Physical Determination Date no Notice of Physical Settlement has been delivered to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, the Issuer shall be obliged to redeem the Notes in cash at their outstanding Aggregate Nominal Amount as soon as reasonably practicable and the date on which the Notes are redeemed shall be deemed to be the Credit Event Redemption Date.

## 19.27 Cash Settlement

Where the Issuer is to redeem the Notes by means of Cash Settlement, the redemption of each Note shall be effected by the payment by the Issuer to the Noteholders of the Cash Settlement Amount on the Cash Settlement Date, such amount to be apportioned pro rata among the Noteholders, rounding the resulting figure downwards to the nearest sub-unit of the relevant currency.

If Unwind Amount is specified as "Applicable" in the Final Terms, then the Issuer shall pay the Cash Settlement Amount, subject to adjustment after taking into consideration the Unwind Amount pursuant to the following:

- (a) if the Unwind Amount results in a net loss to the Issuer, then the net loss shall be deducted from the Cash Settlement Amount; or
- (b) if the Unwind Amount results in a net gain to the Issuer, such net gain shall be paid to the Noteholders in addition to the Cash Settlement Amount.

## 19.28 Partial Cash Settlement due to illegality or impossibility

If, due to an event beyond the control of the Issuer or a Noteholder (including, without limitation, failure of the relevant clearing system or due to any law, regulation or court order but excluding market conditions or the failure to obtain any requisite consent with respect to the Delivery of Loans), the Calculation Agent determines in its sole discretion that it is impossible or illegal for the Delivery Agent or the Issuer to Deliver, or (as the case may be) for such Noteholder to accept Delivery of, any portion of the Deliverable Obligations on the Physical Settlement Date, then on such date:

- (a) the Issuer shall Deliver, or cause the Delivery Agent to Deliver, and the Noteholder shall take Delivery of, that portion of the Deliverable Obligations which it is possible and legal to Deliver; and
- (b) the Calculation Agent shall provide a description to the Issuer and the relevant Noteholder(s) in reasonable detail of the facts giving rise to such impossibility or illegality and as soon as practicable thereafter the Delivery Agent or, as the case may be, the Issuer shall Deliver and the Noteholder shall take Delivery of the portion of the Deliverable Obligations which has not been Delivered and such date will be deemed to be the Credit Event Redemption Date.

If, upon the determination by the Calculation Agent as aforesaid of the occurrence of any such impossibility or illegality, the Deliverable Obligations is not Delivered to the Noteholder(s) (or any of their designees) on or before the Latest Permissible Physical Settlement Date, Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to such portion of the Deliverable Obligations that cannot be Delivered (the **Undeliverable Obligations**).

## 19.29 Partial Cash Settlement of Loans

Where the applicable Final Terms provides that "Assignable Loan" and/or "Consent Required Loan" is/are included in the "Deliverable Obligation Characteristics", if any Assignable Loans or Consent Required Loans are not, on the Physical Settlement Date, capable of being assigned or novated to any particular Noteholder or such Noteholder's designee due to non-receipt of any requisite consents and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date (together the **Undeliverable Loan Obligations**), Cash Settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to that portion of the Deliverable Obligations that consists of Undeliverable Loan Obligations. In such circumstances, the Issuer may satisfy its

obligations in respect of such portion of the Deliverable Obligations by payment of the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

### 19.30 Alternative Cash Settlement

If with respect to physically settled Notes, (i) the Deliverable Obligations comprise Bonds, Assignable Loans or Consent Required Loans (the **Deliverable Assets**) and if (ii), in the opinion of the Calculation Agent, any particular Noteholder is not eligible for Physical Settlement for any part of such Deliverable Assets (the **Non-Eligible Deliverable Assets**) then such Non-Eligible Deliverable Assets will be subject to Cash Settlement pursuant to the Partial Cash Settlement Terms. In such circumstances, the Issuer may satisfy its obligations in respect of such Non-Eligible Deliverable Assets by payment to such Noteholder of the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

### 19.31 No Deliverable Obligations

Where the Issuer is to redeem the Notes by means of Physical Settlement (or by Cash Settlement or in connection with principal protected Credit Linked Notes, in either case when necessary calculations relate to Deliverable Obligations or Deliverable Obligation Characteristics), if a Credit Event occurs with respect to any particular Reference Entity and the Calculation Agent determines in its sole discretion that (a) no Deliverable Obligation exists on the Physical Settlement Date (or the Valuation Date, as the case may be), or (b) the Issuer, or the Delivery Agent on the Issuer's behalf, is for any reason (other than (a) immediately above or as set out in Condition 19.8 or 19.9 above or in the applicable Final Terms), unable to procure any Deliverable Obligations, or a sufficient amount of Deliverable Obligations, by the thirtieth day following the Physical Settlement Date, then the Calculation Agent shall have the right in its sole discretion to either (i) in the case of (a) above, cause all of the Notes to become due and repayable as soon as reasonably practicable at their outstanding Aggregate Nominal Amount (excluding accrued interest) or (ii) in the case of (b) above, either (A) elect Physical Settlement in a *pro rata* fashion that portion of each Note to the extent that the aggregate amount of Deliverable Obligations due exceeds the aggregate amount of Deliverable Obligations available and elect Cash Settlement for the remaining portion of each Note in accordance with (B) below, or (B) elect that Cash Settlement pursuant to the Partial Cash Settlement Terms shall apply to such Deliverable Obligation (such Deliverable Obligation being deemed an Undeliverable Obligation for these purposes) and the Issuer may satisfy its obligations in respect of such Deliverable Obligation by payment to the Noteholder(s) of the Partial Cash Settlement Amount on the Partial Cash Settlement Date, such amount to be apportioned *pro rata* among the Noteholders.

### 19.32 Partial Cash Settlement Terms

The following terms are deemed to be defined as follows for the purposes of the Partial Cash Settlement Terms referred to in Condition 19.8, 19.9, 19.10 and 19.11 above

**Dealer** means a dealer, financial institution or fund (which, for the avoidance of doubt, shall include the Issuer or any Affiliate of the Issuer) that deals or invests in obligations of the type of Obligation(s) for which Quotations are to be obtained. The Calculation Agent shall select the Dealers in good faith and in a commercially reasonable manner. Upon a selected 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 Dealer(s) for one or more of the foregoing. Any bid quotation provided by the Issuer shall be deemed to be a firm quotation that it would provide to a counterparty in the market.

**Final Price** means the price of the obligation being valued, expressed as a percentage, determined in accordance with the specified Valuation Method. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, notify the Issuer of each such

Quotation that it receives in connection with the calculation of the Final Price and shall provide the Issuer a written computation showing its calculation of the Final Price.

**Highest** means the highest Quotation obtained by the Calculation Agent (or in accordance with the definition of "Quotation") with respect to any Valuation Date.

**Latest Permissible Physical Settlement Date** means, in respect of Condition 19.8, the date that is 30 calendar days after the Physical Settlement Date and, in respect of Condition 19.9, the date that is fifteen Business Days after the Physical Settlement Date.

**Market** means the Market Value determined by the Calculation Agent with respect to the Valuation Date.

**Market Value** means, with respect to obligations being valued 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 value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest and 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 fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained on any of the next ten Business Days thereafter, any one Full Quotation on such tenth Business Day, and or if no Full Quotation is obtained, the Market Value shall be the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Minimum Quotation Amount** shall be as specified in the applicable Final Terms or shall be deemed to be equal to the applicable Specified Denomination of the Notes.

**Partial Cash Settlement** is deemed to be the payment by the Issuer of the Partial Cash Settlement Amount to the Noteholders on the Partial Cash Settlement Date.

**Partial Cash Settlement Amount** is deemed to be, for each Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, the aggregate of the greater of (i) the aggregate of (A) Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Undeliverable Loan Obligation and (ii) zero provided that where (i) a relevant Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset forms part of the Asset Package and (ii) the Calculation Agent determines in its sole discretion that a Final Price cannot be reasonably determined in respect of such Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, then the Partial Cash Settlement Amount (i) shall be an amount calculated by the Calculation Agent in its sole discretion equal to the fair market value of the relevant Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset by reference to such source(s) as it determines appropriate and (ii) may be zero.

**Partial Cash Settlement Date** is deemed to be the date that is three Business Days after the calculation of the Final Price or such other date specified in the relevant Final Terms.

**Quotation** means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage of the Outstanding Principal Balance or Due and Payable Amount, as applicable of the relevant Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, with respect to a Valuation Date as follows:

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same 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 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, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Quotation Amount** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, with respect to each type of Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset, an amount equal to 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 in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset.

**Quotation Method** means the applicable quotation method which may be specified in the Final Terms as being one of the following:

- (a) **Bid** means that only bid quotations shall be requested;
- (b) **Mid** means that the bid and offer quotations shall be requested and averaged for the purposes of determining a relevant Dealer's quotation; or
- (c) **Ask** means that only offer quotations shall be requested.

**Valuation Date** is deemed to be the date that is two Business Days after the Latest Permissible Physical Settlement Date.

**Valuation Time** is deemed to be 11:00 a.m. London time, or 11:00 a.m. in the principal trading market of the relevant obligation as determined by the Calculation Agent, unless stated otherwise in the applicable Final Terms.

**Valuation Method** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, (i) if only one Valuation Date, Highest, or (ii) if more than one Valuation Date, Average Highest, or if "Market" has been designated in the relevant Final Terms, "Market Value" shall apply.

**Weighted Average Quotation** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Relevant Dealers at the Valuation Time, to the extent reasonably practicable, with an amount of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.



### 19.33 Maturity Date Extension

Unless otherwise stated in the applicable Final Terms if, prior to any payment date under the Notes, (a) a Potential Failure to Pay has occurred with respect to one or more of the Obligations; (b) under the terms of such Obligation(s), a grace period is applicable to payments under the Obligation(s); and (c) such grace period does not expire on or prior to such payment date under the Notes, then such Interest Payment Date or, as the case may be, the Maturity Date, shall be postponed until the fifth Business Day after such Potential Failure to Pay has been remedied, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if the Potential Failure to Pay has not been remedied during the applicable grace period.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, as soon as reasonably practicable should the Maturity Date or any payment date be postponed pursuant to the foregoing.

### 19.34 Repudiation/Moratorium Maturity Date Extension

Unless stated otherwise in the applicable Final Terms if, prior to the Maturity Date under the Notes, (a) "Repudiation/Moratorium" is listed as an applicable Credit Event in the applicable Final Terms; (b) a Potential Repudiation/Moratorium has occurred with respect to one or more of the Obligations; and (c) such Potential Repudiation/Moratorium has not been remedied or rescinded prior to the Maturity Date, then the Maturity Date shall be postponed until the fifth Business Day after such Potential Repudiation/Moratorium has been remedied or rescinded, provided that a Credit Event shall be deemed to have occurred, and no payment shall be made, if (i) such Potential Repudiation/Moratorium has not been remedied or rescinded by the sixtieth day after the original Maturity Date (or if the Obligation which is the subject of the Potential Repudiation/Moratorium is a Bond, the later of the sixtieth day or the first payment date under such Bond after the Maturity Date), or (ii) a Restructuring (without regard to the Default Requirement) or a Failure to Pay (determined without regard to the Payment Requirement or any change or amendment to such Obligation as a result of such Restructuring), has occurred with respect to any such Obligation.

No adjustment shall be made to the amount of any interest as a result of such delay. The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, as soon as reasonably practicable should the Maturity Date be postponed pursuant to the foregoing.

### 19.35 Restructuring Credit Event Applicable

Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event, unless otherwise specified in the applicable Final Terms with respect to a specific Reference Entity, upon the occurrence of an M(M)R Restructuring the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event. Accordingly, notwithstanding Conditions 19.21 to 19.34 above, where an M(M)R Restructuring has occurred and the Issuer has delivered a Credit Event Notice for an amount that is less than the outstanding Aggregate Nominal Amount of the Notes outstanding immediately prior to the delivery of such Credit Event Notice (the **Exercise Amount**), the provisions of Conditions 19.21 to 19.34 above shall be deemed to apply to a nominal amount equal to the Exercise Amount only and all the provisions shall be construed accordingly. Each such Note shall be redeemed in part (such redeemed part being equal to the resultant figure of the Exercise Amount divided by the number of Notes outstanding).

The Notes shall be deemed to be redeemed *pro rata* in an amount equal to the Exercise Amount only. The Notes in an amount equal to the Outstanding Amount shall remain outstanding and

interest shall accrue on the Outstanding Amount as provided for in Condition 4 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).

In respect of any subsequent Credit Event Notices delivered:

- (a) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Aggregate Nominal Amount of the Notes (and not a portion thereof); and
- (b) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the nominal amount is denominated or any integral multiple thereof or the entire then outstanding Aggregate Nominal Amount of the Notes.

*If the provisions of this Condition 19.35 apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.*

### **19.36 General**

For such period of time after the relevant Physical Settlement Date as the Issuer or any other person (other than a Noteholder) shall continue to be the legal owner of the securities, interests or other assets comprising the Deliverable Obligations (the **Intervening Period**), neither the Issuer nor any other such person shall:

- (a) be under any obligation to deliver or procure delivery to such Noteholder(s) or any subsequent beneficial owner of such securities any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such securities; or
- (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities during the Intervening Period; or
- (c) be under any liability to such Noteholder(s) or any subsequent beneficial owner of such securities in respect of any loss or damage which such Noteholder(s) or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such securities during such Intervening Period (including, without limitation, any loss or damage resulting from the failure to exercise any or all rights (including voting rights) attaching to such securities during the Intervening Period).

### **19.37 Consequences of an Early Amortisation of the Reference Obligation**

If the Reference Obligation Notional Amount, as specified in the applicable Final Terms, is subject to reduction as a result of scheduled or accelerated amortisation, acceleration of payment obligations, redemption or otherwise, but excluding any payment in respect of principal representing capitalised interest (an **Early Amortisation**), then the Issuer may elect in its sole and absolute discretion, after giving Notice to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be:

- (a) to maintain the terms and conditions of the Notes unaltered;
- (b) to partially redeem each Note within five (5) Business Days following the Early Amortisation Date by an amount (the Redeemed Amount) equal to its pro rata share of the

Fair Market Value of such portion of the Reference Obligation Notional Amount early amortised on the Early Amortisation Date (as defined below) (where such pro rata share will be determined by reference to the proportion of the outstanding Aggregate Nominal Amount of the Notes), plus interest for the period from and including the Early Amortisation Date to but excluding the redemption date calculated on the basis of a rate of interest equal to the arithmetic mean of EONIA Fixed (as defined below) on the Early Redemption Date. The Specified Denomination, the formula or any other characteristics of the Notes shall be adjusted accordingly by the Calculation Agent to reflect such Early Amortisation. For the avoidance of doubt, the portion of the Notes not affected by the Early Amortisation shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be; or

- (c) to redeem in whole all but not some only of the Notes at their Fair Market Value.

**EONIA Fixed** means the reference rate as determined on the Early Redemption Date equal to:

- (a) the European Overnight Index Average for deposits in Euro as calculated on a daily basis under the supervision of the European Network of Central Banks and broadcast on the immediately following TARGET2 Business Day on page EONIA of the Reuters Monitor Money Rates Service (or any replacement page on that service) or, if no such service is available, the rate which appears on any other service which displays an average overnight rate for deposits in Euro as calculated on a daily basis selected by the Calculation Agent in its sole and absolute discretion (the EONIA Screen Rate); or
- (b) if no EONIA Screen Rate is available, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Calculation Agent at its request quoted to the Reference Banks by leading banks in the European interbank market on the immediately following TARGET2 Business Day for overnight deposits in Euro.

### **19.38 Specific adjustments regarding credit indices and index tranches**

With respect to a credit index or an index tranche referred to in the payouts entitled "Basket/Index Credit Linked Notes"; "Index Tranche Credit Linked Notes", "n<sup>th</sup> to Default Credit Linked Notes Early Redeemed" and "n<sup>th</sup> to Default Credit Linked Notes Redeemed at Maturity" in paragraph 4.3 of the Technical Annex, upon the occurrence of an event that the Calculation Agent considers, acting in a commercially reasonable manner, as materially impacting the credit index or the index tranche (including but not limited to trading disruptions, market instability or force majeure events), the Calculation Agent shall (i) apply the fallback provisions set forth in the relevant underlying hedging agreement entered into by the Issuer which shall be disclosed in the applicable Final Terms or (ii) if such relevant hedging agreement is not communicated by the Issuer, the Calculation Agent shall apply the fallback provisions that it considers as appropriate given the circumstances, acting in a commercially reasonable manner.

### **19.39 Definitions**

For the purposes of this Condition 19 (unless otherwise specified in the applicable Final Terms or the context otherwise requires):

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

**Accrued Interest** means for the purpose of these Additional provisions applicable to Credit Linked Notes:

- (a) in respect of any Notes for which "Physical Settlement" is specified to be the Settlement Method in the applicable Final Terms (or for which Physical Settlement is applicable as the Fallback Settlement Method in accordance with Credit Linked Condition 19.23), 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 Final Terms, in which case, the Outstanding Principal Balance of the Deliverable Obligations being Delivered will include accrued but unpaid interest (as the Calculation Agent shall determine in its reasonable discretion);
- (b) in respect of any Notes for which "Cash Settlement" is specified to be the applicable Settlement Method in the applicable Final Terms (or for which Cash Settlement is applicable as the Fallback Settlement Method in accordance with Credit Linked Condition 19.23), and:
  - (i) "Include Accrued Interest" is specified in the applicable Final Terms, the Outstanding Principal Balance of the Reference Obligation shall include accrued but unpaid interest;
  - (ii) "Exclude Accrued Interest" is specified in the applicable Final Terms, the Outstanding Principal Balance of the Reference Obligation shall not include accrued but unpaid interest; or
  - (iii) neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms, the Calculation Agent shall determine, based on the then current market practice in the market of the Reference Obligation whether the Outstanding Principal Balance of the Reference Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof; or
- (c) if Credit Linked Condition 19.12 applies, the Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation, Undeliverable Loan Obligation or Non-Eligible Deliverable Asset (as applicable), 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 relevant Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or asset no longer exists).

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

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

**Asset Package Credit Event** means:

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

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

**Asset Package Delivery** will apply if an Asset Package Credit Event occurs unless (i) such Asset Package Credit Event occurs prior to the First Credit Event Occurrence Date or such later date determined by the Calculation Agent as appropriate by reference to any Hedge Position, or (ii) if the Reference Entity is a Sovereign, no Package Observable Bond exists immediately prior to such Asset Package Credit Event.

**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 relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if such Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Deliverable Obligation Category).

**Auction** has the meaning set forth in the relevant Transaction Auction Settlement Terms as amended, if applicable, by the Auction Resolution.

**Auction Cancellation Date** has the meaning set forth in the relevant Transaction Auction Settlement Terms.

**Auction Final Price** has the meaning set forth in the relevant Transaction Auction Settlement Terms.

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

**Auction Settlement** means settlement in accordance with Condition 19.23.

**Auction Settlement Amount** means an amount, based on the Auction Final Price determined and calculated as specified in the applicable Final Terms.

**Bankruptcy** means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (d) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or

liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) (inclusive).

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

**Bond or Loan** means any obligation that is either a Bond or a Loan.

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

**Business Day** means Business Day as defined in Condition 4.2(a) and, in the case of Notes that the Issuer is to redeem by means of Physical Settlement, for the purposes of the Delivery of Deliverable Obligations, a day in any other jurisdiction on which securities settlement systems are open for settlement of the relevant Deliverable Obligations;

**Business Day Convention** means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustments will be made if that date would otherwise fall on a day that is not a Business Day so that:

- (a) if "Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day;
- (b) if "Modified Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and
- (c) if "Preceding" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first preceding day that is a Business Day;

**Cash Settlement Amount** means, unless specified otherwise in the applicable Final Terms, for each obligation being valued, including but not limited to each Reference Obligation, the greater of (i) the aggregate of (A) the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each such Reference Obligation being valued as selected by the Calculation Agent in its sole and absolute discretion in the Reference Obligation Notice, multiplied by the (B) Final Price with respect to such Reference Obligation and (ii) zero.

**Cash Settlement Date** shall be the date that is three Business Days after the calculation of the Final Price or such other date as is specified in the applicable Final Terms.

**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 the dates(s) determined by the Calculation Agent by reference to any Hedge Positions, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition.

**Consent Required Loan** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the relevant Reference Entity is guaranteeing such Loan) or any agent. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Assignable Loan is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the specified Deliverable Obligation Category).

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

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

**Credit Derivatives Determinations Committees** means the committees established by ISDA pursuant to the Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

**Credit Event** means any one or more of the events specified as such in the applicable Final Terms among Bankruptcy, Failure to Pay, Loss Event, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention.

**Credit Event Backstop Date** means (a) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition of Repudiation/Moratorium) for purposes of the relevant Notes, 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) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during the Notice Delivery Period and (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraph (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations

Committee has Resolved not to determine such matters and (C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, 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, in respect of any Credit Event:

- (a) subject to subsection (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during either:
  - (i) the Notice Delivery Period; or
  - (ii) the period (I) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date (II) 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)); or
- (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred, either:
  - (i) the Credit Event Resolution Request Date, if either:
    - (A) (1) "Buyer or Seller" or neither "Buyer" nor "Seller" is specified as the applicable Hedging Arrangement Notifying Party in the applicable Final Terms;
    - (2) the relevant Credit Event is not a Restructuring; and
    - (3) either:
      - (y) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable; or
      - (z) Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms and the Trade Date occurs on or prior to the relevant DC Credit Event Announcement; or
  - (B) (1) either:



- (y) "Buyer" or "Seller" is specified as the only applicable Hedging Arrangement Notifying Party in the applicable Final Terms and "Auction Settlement" is specified as the applicable Settlement Method in the applicable Final Terms; or
    - (z) the relevant Credit Event is a Restructuring; and
  - (2) the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the date falling two Business Days after the Exercise Cut-off Date; or
- (ii) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective during (I) the Notice Delivery Period or (II) the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant DC Credit Event Announcement 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)), if either:
  - (A)
    - (1) "Buyer or Seller" or neither "Buyer" nor "Seller" is specified as the applicable Hedging Arrangement Notifying Party in the applicable Final Terms;
    - (2) the relevant Credit Event is not a Restructuring;
    - (3) Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; and
    - (4) the Trade Date occurs following the relevant DC Credit Event Announcement; or
  - (B)
    - (1) "Buyer" or "Seller" is specified as the only applicable Hedging Arrangement Notifying Party in the applicable Final Terms; and
    - (2) either:
      - (y) "Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; or
      - (z) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on a date that is later than the date falling two Business Days after the relevant Exercise Cut-off Date,

provided that, in the case of paragraph (b) above, no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date;

- (c) paragraphs (a) and (b) of this definition do 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 relevant Settlement Date, the Credit Event Redemption Date or the Scheduled Termination Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity or Obligation thereof.

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 a preceding Interest Payment Date, the Calculation Agent will determine (1) such adjustment(s) to these provisions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of Noteholders as would have prevailed had a Credit Event Determination Date not occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s).

**Credit Event Notice** means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date and on or prior to of the Extension 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 Auction Settlement Amount, the Delivery of Deliverable Obligations in accordance with Physical Settlement or the Cash Settlement Amount (as appropriate).

**Credit Event Redemption Date** means (i) in the case of Auction Settlement, the Auction Final Price Determination Date, (ii) in the case of Cash Settlement, the Cash Settlement Date; (ii) in the case of Physical Settlement, the Physical Settlement Date or, (iii) if Physical Settlement applies, but on the Physical Settlement Date, some or all of the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered for any reason as set out in Condition 19.8, 19.9, 19.10 and 19.11 above, the Partial Cash Settlement Terms (as set out in Condition 19.12) will apply. In such case: (A) if all such Deliverable Obligations cannot be Delivered as aforementioned, the Credit Event Redemption Date will be the Cash Settlement Date (as defined in Condition 19.12), or (B) if only some of such Deliverable Obligations cannot be delivered as aforementioned, the Credit Event Redemption Date for all such Deliverable Obligations shall be the later of (1) the Cash Settlement Date that applies to such Deliverable Obligations that cannot be Delivered as aforementioned, and (2) the Physical Settlement Date for such Deliverable Obligations which can be Delivered.

**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.

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

**DC Credit Event Question** means, with respect to a Reference Entity, 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 with respect to such Reference Entity (or one or more Obligations thereof).

**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 with respect to such Reference Entity (or one or more Obligations thereof).

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

**DC Secretary** has the meaning given to it in the Rules.

**Default Requirement** means the amount specified as such in the applicable Final Terms, and if none is specified, the amount will be US\$ 10,000,000 or the equivalent in any other currency.

**Deliver** means:

- (a) to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to Deliverable Obligations where only equitable title is customarily conveyed, all equitable title) and interest in the Deliverable Obligations to the relevant Noteholder 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 out in (a) to (d) in the definition of "Credit Event" above) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor) provided that if a Deliverable Obligation is a Guarantee, "Deliver" means to deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, "Deliver" means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap. "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.
- (b) If Asset Package Delivery applies (i) Delivery of a Prior Deliverable Obligation or a Package Observable Bond may be satisfied by Delivery of the related Asset Package, and such Asset Package shall be treated as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) paragraph (a) above shall be deemed to apply to each Asset in the Asset Package provided that if any such Asset is not a Bond, it shall be treated as if it were a Loan for these purposes, (iii) if the Asset Package is zero, the Outstanding Principal Balance or Due and Payable Amount, as applicable (or equivalent amount in the Specified Currency of the Notes) 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 Credit Linked Condition 2 of the detailed

description of the Asset Package that it intends to Deliver, (iv) the Issuer may satisfy its obligation to make Delivery of the Prior Deliverable Obligation or Package Observable Bond in part by Delivery of each Asset in the Asset Package in the correct proportion and (v) if the relevant Asset is a Non-Transferable Instrument or Non-Financial Instrument, the Asset shall be deemed to be an amount of cash equal to the Asset Market Value and the term "Asset Package" shall be construed accordingly.

**Deliverable Obligation** means:

- (a) any obligation of a Reference Entity (either directly or as provider of a Relevant Guarantee) described by the Deliverable Obligation Category specified in the applicable Final Terms and having each of the Deliverable Obligation Characteristics, in each case, specified in the applicable Final Terms (as of the date on which the Calculation Agent determines that such Obligations are Deliverable Obligations);
- (b) each Reference Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and
- (d) if Asset Package Delivery is applicable, (i) if Financial Reference Entity Terms is specified as applicable in the applicable Final 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).

provided that:

- (i) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" are specified as applicable in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Fully Transferable Obligation, and (B) has a final maturity date not later than the Restructuring Maturity Limitation Date; and
- (ii) where the Issuer is to redeem the Notes by means of Physical Settlement, if "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" are specified as applicable in the applicable Pricing Circular Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice then a Deliverable Obligation may be specified in the Notice of Physical Settlement only if it (A) is a Conditionally Transferable Obligation, and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

The Deliverable Obligations to be Delivered by the Issuer to the Noteholders shall have an outstanding principal balance (excluding accrued interest) equal to the outstanding Aggregate Nominal Amount of the Notes, subject to Condition 19.11 above.

If the term "Deliverable Obligation" is to apply to Notes to be redeemed by the Issuer by means of Cash Settlement, references to "Delivery Date" shall be deemed to be references to "Valuation Date".

**Deliverable Obligation Characteristics** means any one or more of Not Subordinated, Specified Currency, Not Domestic Currency, Not Sovereign Lender, Not Domestic Law, Listed, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, as specified in the related Final Terms, If more than one Assignable Loan, and Consent Required Loan are specified as Deliverable Obligation Characteristics specified in the applicable Final Terms, the Deliverable Obligation may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

If "*Financial Reference Entity Terms*" and "*Governmental Intervention*" are specified as applicable in the applicable Final 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.

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

**Delivery Agent** means the Issuer or such other entity designated for such purpose as specified in the applicable Final Terms.

**Disrupted Day** means any day on which a Market Disruption Event has occurred.

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

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

**Downstream Affiliate** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity. As used herein, **Voting Shares** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

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

**Early Amortisation Date** means the Business Day on which the Redeemed Amount plus accrued interest is actually paid to the as holder of the Reference Obligation.

**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 sub-paragraph (c)(i) below); 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 sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least U.S.\$100 million or (B) is one of a group of investment vehicles under common control or management having, in 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 (a), (b), (c)(ii) or (d); or
- (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, 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:**

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

**Excluded Obligation means:**

- (a) any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms;
- (b) if "Financial Reference Entity Terms" is specified as applicable in the applicable Final 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 Final 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.

**Event Determination Date** means, in respect of any Credit Event, the first date on which the related Credit Event Notice and, if specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are effective in accordance with the Conditions.

**Expected Payment Amount** means a payment of interest or principal due or scheduled to be paid pursuant to the terms of the Reference Obligation or any financial guarantee insurance policy or similar financial guarantee in respect of the Reference Obligation.

**Extension Date** means the latest of (a) the Scheduled Termination Notice Date; (b) the Grace Period Extension Date if (i) "Grace Period Extension" is specified as applying in the applicable Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Scheduled Termination Notice Date, and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Termination Notice Date; and (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in paragraph (b) of the definition of Repudiation/Moratorium occurs after the Scheduled Termination Notice Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Termination Notice Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

**Failure to Pay** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure 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, with respect to Notes for which Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, the fallback settlement method specified in the applicable Final Terms.

**Final List** has the meaning given in the Rules.

**Final Price** means the price, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms.

**Fitch** means Fitch Ratings Limited.

**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 each firm bid quotation obtained from a Dealer for an 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 and, in each case, as of the date(s) determined by the Calculation Agent by reference to Hedge Positions. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition.

**Further Subordinated Obligation** means, 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:

- (e) 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 (A) the payment or accrual of interest, or (B) 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;
- (f) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
  - (g) a mandatory cancellation, conversion or exchange; or
  - (h) any event which has an analogous effect to any of the events specified in paragraphs (e) to (g).

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 Extension Date** means, if:

- (a) "Grace Period Extension" is specified as applying in the applicable Final Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the date falling 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 Final Terms, Grace Period Extension shall not apply.

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

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Issuer or any of its affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the part of the Issuer's or any of its affiliates' obligations under the Notes.

**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 of such Prior Deliverable Obligation or Package Observable Bond 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 Restructuring 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.

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

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

**Loss Event** means, as determined by the Calculation Agent in its sole and absolute discretion: (i) the occurrence of a Principal Reduction pursuant to the terms of the Reference Obligation; and (ii) the satisfaction of one or more of the following conditions: (a) the terms of the Reference Obligation do not provide for the reinstatement or reimbursement of the Principal Reduction; or, (b) the terms of the Reference Obligation do not provide for interest to be paid, at the Scheduled Interest Rate, on the Principal Reduction, from the day of the Principal Reduction until the day on which such Principal Reduction is reinstated or reimbursed in full; or, (c) the terms of the Reference Obligation do not provide for interest to be paid, at a rate at least equal to the Scheduled Interest Rate, on the interest which would have accrued on the Principal Reduction from the day of the Principal Reduction until the day on which such Principal Reduction is reinstated or reimbursed in full.

**Maximum Maturity** means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the related Final Terms.

**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 Final Terms.

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

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

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

**Mod R** means, if specified as "Applicable" in the applicable Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, that a Deliverable Obligation may only be specified in the Notice of Physical Settlement 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 the date(s) determined by the Calculation Agent by reference to any applicable Hedge Positions.

**Mod Mod R** means, if specified as "Applicable" in the applicable Final Terms and if Restructuring is the only Credit Event specified in a Credit Event Notice delivered by or on behalf of the Issuer, then unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, that a Deliverable Obligation may only be specified in the Notice of Physical Settlement 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 the date(s) determined by the Calculation Agent by reference to Hedge Positions.

Notwithstanding the foregoing, for purposes of the paragraph above in this definition of Mod Mod R, 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.

**Moody's** means Moody's Investors Service Ltd.

**Movement Option** means, with respect to an M(M)R Restructuring for which a No Auction Announcement Date has occurred pursuant to paragraph (b) or (c)(ii) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the Notes, 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). If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the Notes will be settled in accordance with the Fallback Settlement Method. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

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

**Multiple Holder Obligation** means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b).

**No Auction Announcement Date** means, with respect to a Credit Event, the date 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), such date falling on or after the Credit Event Resolution Request Date as may be determined by the Calculation Agent in its sole and absolute discretion and as specified by the Calculation Agent in the Credit Event Notice.

**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.

**Not Bearer** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Clearstream, Luxembourg, Euroclear or any other internationally recognised clearing system. Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Not Bearer is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds.

**Not Domestic Currency** means any obligations that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency.

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

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

**Notice Delivery Date** means the first date on which both a Credit Event Notice and, unless "Notice of Publicly Available Information" is specified as not applicable in the applicable Final Terms, a Notice of Publicly Available Information, have been delivered by the Calculation Agent.

**Notice Delivery Period** means the period from and including the Issue Date to and including the Maturity Date.

**Notice of Physical Settlement** means a notice that is effective no later than the Latest Notification Date (included) from or on behalf of the Issuer to the Noteholders specifying the Specified Deliverable Obligations the Issuer reasonably expects to Deliver or procure the Delivery of to the Noteholders. The Issuer is not bound to Deliver the Specified Deliverable Obligations referred to in the Notice of Physical Settlement. However, it will: (i) to the extent possible, give the Noteholders notice of any subsequent change in the Specified Deliverable Obligations referred to in the Notice of Physical Settlement or of any errors or inconsistencies contained therein (the term Specified Deliverable Obligation is deemed to include such change); and (ii) where Asset Package Delivery is applicable and the detailed description of the Asset Package is not included in the Notice of Physical Settlement, give the Noteholders notice of such detailed description of the Asset Package (if any) that it intends to Deliver to the Noteholders in lieu of any Specified Deliverable Obligations referred to in the Notice of Physical Settlement.

**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 applicable in the applicable Final 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 Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

**Notice to Exercise Movement Option** means, with respect to Notes for which (a) M(M)R Restructuring is specified as applicable in the applicable Final Terms and (b) the Fallback Settlement Method would otherwise be applicable pursuant to the Auction Settlement provisions, a notice from the Issuer to the Calculation Agent that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is effective on or prior to the Movement Option Cut-off Date.

**Not Sovereign Lender** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

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

**Obligation** means (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee described in the Obligation Category and having the Obligation Characteristics specified in the applicable Final Terms immediately prior to the Credit Event which is the subject of the Credit Event Notice or as otherwise determined by the Calculation Agent by reference to any Hedge Positions; and (b) the Relevant Reference Obligation, unless specified in the applicable Final Terms as an Excluded Obligation.

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

**Obligation Category** means any one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the related Final Terms.

**Obligation Characteristics** means any one or more of Not Subordinated, Not Sovereign Lender, Specified Currency, Not Domestic Currency, Not Domestic Law, Listed, and Not Domestic Issuance as specified in the related Final Terms.

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

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

**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 Final Terms (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the relevant Notes (other than for the purposes of determining the Seniority Level and for the "Not Subordinated" Obligation Characteristic or "Not Subordinated" Deliverable Obligation Characteristic) unless (a) this definition of "Original Non-Standard Reference Obligation" is specifically amended or overridden in the applicable Final Terms, or (b) the relevant Notes are Reference Obligation Only Notes.

**Outstanding Amount** means, where Notes have been redeemed *pro rata* in an amount equal to the Exercise Amount following the occurrence of a Restructuring Credit Event, the amount of Notes remaining after such redemption, being equal to the outstanding Aggregate Nominal Amount of the Notes prior to such redemption less the Exercise Amount.

**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 the date selected by the Calculation Agent by reference to any Hedge Positions; 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](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within paragraphs (a) or (b) of the definition of Deliverable Obligation (above), in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

**Parallel Auction** means "Auction" as such term shall be 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.

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

**Payment Requirement** means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if Payment Requirement is not so specified, U.S.\$1,000,000 or its equivalent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

**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 in the Final List pursuant to the Deliverable Obligation Terms applicable to the relevant Auction.

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

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);

- (iv) if "Subordinated European Insurance Terms" are specified as applicable in the applicable Final Terms, any Solvency Capital Provisions; or
  - (v) if "Financial Reference Entity Terms" are specified as applicable in the applicable Final 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
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

**Permitted Currency** means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership); or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard and Poor's or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's or any successor to the rating business thereof or AAA or higher assigned to it by Fitch or any successor to the rating business thereof.

**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** means Delivery of the Deliverable Obligations in accordance with Condition 19.6 above and Condition 19.12.

**Physical Settlement Date** means the date which is specified as such in the applicable Final Terms.

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

**Potential Repudiation/Moratorium** means the occurrence of an event described in part (a) of the definition of "Repudiation/Moratorium".

**Principal Reduction** means a reduction in the principal amount of the Reference Obligation other than in connection with a scheduled or non-scheduled payment of principal. For the avoidance of doubt any such scheduled or non-scheduled payment of principal shall include any scheduled or accelerated amortisation, acceleration of payment obligations with regard to principal or redemption.

**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.

**Prior Reference Obligation** means, in respect of a Reference Entity and in circumstances where there is no Reference Obligation applicable thereto for the purposes of the Notes, (a) the Reference Obligation most recently applicable thereto, if any, and otherwise (b) the obligation specified in the applicable Final Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Issue Date and otherwise, (c) any unsubordinated Borrowed Money Obligation of such Reference Entity.

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

**Prohibited Action** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in (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.

**Public Source** means each source of Publicly Available Information specified as such in the applicable Final Terms (or if no source is specified in the applicable Final 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 information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which:

- (a) 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); or
- (b) is information received from or published by (i) 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 (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (c) is information contained in any order, decree, notice, 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 (b) or (c) above 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 (b) or (c) 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 the party receiving such information.

Without limitation, Publicly Available Information need not state:

- (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned by the Reference Entity; and
- (ii) that the relevant occurrence:
  - (A) has met the Payment Requirement or Default Requirement;
  - (B) is the result of exceeding any applicable Grace Period; or
  - (C) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in paragraphs (i) and (ii) 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 Final Terms; or
    - (B) any Solvency Capital Provisions, if "Subordinated European Insurance Terms" is specified as applicable in the applicable Final Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of Bankruptcy 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:

- I. the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- II. 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 Policy** means (i) a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all interest and principal payments (which may exclude certain default interest and indemnities) of an instrument that constitutes borrowed money for which another party (including a special purpose entity or trust) is the obligor, and (ii) an Obligation and Deliverable Obligation (which for the avoidance of doubt, must satisfy the relevant Deliverable Obligation Characteristics in respect of the relevant Reference Entity) in each case a Reference Entity is a monoline insurance company, notwithstanding the relevant Final Terms.

**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, 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 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 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 shall are not available on any such Business Day, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which the firm quotations were not obtained on such day.

**Quotation Method** means the applicable quotation method which may be specified in the Final Terms as being one of the following:

- (a) **Bid** means that only bid quotations shall be requested;

- (b) **Mid** means that the bid and offer quotations shall be requested and averaged for the purposes of determining a relevant Dealer's quotation; or
- (c) **Ask** means that only offer quotations shall be requested.

**Reference Entity** means each entity specified as such in the applicable Final Terms. In addition, any Successor to a Reference Entity either (a) identified pursuant to the definition of "Successor" in these Conditions on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules shall, in each case, be the Reference Entity for the purposes of the relevant Series; or

**Reference Obligation** means the Standard Reference Obligation, if any, unless:

- (a) "Standard Reference Obligation" is specified as not applicable in the applicable Final 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 Final Terms (or no election is specified in the applicable Final Terms), (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the applicable Final Terms, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

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

**Reference Obligation Notice** means an irrevocable notice from the Issuer sent not later than thirty (30) calendar days following the relevant Event Determination Date that includes a description of the Reference Obligation(s) to be used for valuation of the Cash Settlement Amount as follows:

- (a) title or designation;
- (b) maturity date; and
- (c) in the case of a Bond, the ISIN or CUSIP number.

**Reference Obligations Only** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

**Reference Obligation Only Notes** means any Notes in respect of which (a) "Reference Obligation Only" is specified as the Obligation Category and, if applicable, the Deliverable Obligation Category in the applicable Final Terms and (b) "Standard Reference Obligation" is specified as not applicable in the applicable Final Terms.

**Reference Period** means the period from and including the Issue Date until and including the Scheduled Termination Date (without prejudice to Conditions 19.33 and 19.34) or such other period as is specified in the applicable Final Terms.

**Reference Price** means the price specified as such in the applicable Final Terms, and if none is specified, 100 per cent.

**Reference Transaction** means a hypothetical credit derivative transaction:

- (a) for which the Deliverable Obligation Terms and the Reference Obligation are (i) the same as in respect of the Notes (if such Deliverable Obligation Terms and Reference Obligation are specified in the applicable Final Terms) or (ii) if and to the extent the Deliverable Obligation Terms and/or the Reference Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;
- (b) with a scheduled termination date matching the Scheduled Maturity Date of the Notes; and
- (c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Issuer's hedging arrangements and/or any credit derivative elections made in relation to the Notes.

**Relevant Guarantee** means a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the applicable Final 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 Notice of Physical Settlement 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 (a) 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 Final 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 Final 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".

**Repudiation/Moratorium** means the occurrence of both of the following events:

- (a) an authorised officer of a 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 (if any), 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 (if any) and
- (b) as Failure to Pay, determined without regard to the Payment Requirement or any change or amendment to any such Obligation as a result of (ii) above, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date, (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 Extension Date shall occur no later than the Scheduled Termination Notice Date unless the Repudiation/Moratorium Extension Condition is satisfied.

**Repudiation/Moratorium Extension Condition** will be satisfied:

- (i) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is 14 calendar days after the Scheduled 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 Scheduled Maturity Date; or
- (ii) 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 Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Scheduled 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 Scheduled 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 set out in the 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 a 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 applicable to the relevant Notes and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (b) 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;
- (c) the redenomination from euros into another currency, if (i) 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 (ii) 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;

- (d) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (e) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of paragraph (v) above 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 Credit Linked Condition 15, 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 paragraphs (i) to (v) of this definition of Restructuring shall be deemed to refer to the Underlying Obligor and the references to the Reference Entity in paragraphs (b) to (e) 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 (i) to (v) has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

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

**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 Scheduled Termination Notice Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **Latest Maturity Restructured Bond or Loan**) and the Scheduled Termination Notice 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.

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

**Scheduled Maturity Date** means the date specified as such in the applicable Final Terms.

**Scheduled Termination Date** means the earlier of (i) the date at which the outstanding principal amount of the Reference Obligation has been reduced to zero; and (ii) the date specified as such in the applicable Final Terms.

**Scheduled Termination Notice Date** means the day falling two Business Days immediately preceding the Scheduled Termination Date;



**Securities Act** means the U.S. Securities Act of 1933, as amended;

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

**Seniority Level** means, with respect to an obligation of the Reference Entity:

- (a) "Senior Level" or "Subordinated Level" as specified in the applicable Final Terms; or
- (b) if no such seniority level is specified in the applicable Final Terms, "Senior Level" if the Original Non-Standard Reference Obligation is a Senior Obligation or "Subordinated Level" if the Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which;
- (c) "Senior Level".

**Settlement Method** means, if (a) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Auction Settlement, (b) Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms, Physical Delivery.

**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.

**Specified Currency** means an obligation that is payable in the currency or currencies specified as such in the related Final Terms (or, if Specified Currency is specified in the related Final Terms and no currency is specified, any of the lawful currencies 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 currencies shall be referred to collectively as the **Standard Specified Currencies**).

**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 relevant 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.

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

**Standard & Poor's** means S&P Global Ratings Europe Limited, a division of The McGraw-Hill Companies, Inc.

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

**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.

**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) below). 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
    - (A) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
      - I. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
      - II. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation 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:
      - I. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
      - II. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
      - III. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
      - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation 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:

- I. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - II. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - III. is a Deliverable Obligation (other than a Loan) determined in accordance with paragraph (a) of the definition of Deliverable Obligation above; or if no such obligation is available,
  - IV. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with paragraph (a) of the definition of Deliverable Obligation 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 Notes as determined by the Calculation Agent. The Calculation Agent will notify the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, 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.
- (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 Credit Linked Notes that are Reference Obligation Only Notes.

**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 Credit Linked Notes to which the Non-Standard Reference Obligation relates are not Reference Obligation Only Notes:

- (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 (a) 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:

- (i) subject to paragraph (b) below, the entity or entities, if any, determined as follows:
  - (i) subject to paragraph (vii) below, 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 these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;
  - (iv) if one or more entities each succeed, 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 these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below;

- (v) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the 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 these Terms and Conditions and/or the applicable Final Terms will be adjusted as provided below); and
  - (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the 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 1 January 2014;
  - (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
  - (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors under paragraph (a) above, 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 Holders at the specified office of the Principal Agent. In calculating the percentages used to determine whether an entity qualifies as a Successor under paragraph (a) above, 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.

Where pursuant to paragraph (a)(iii), (a)(iv), (a)(vi) or (b) above, more than one Successor has been identified, the Calculation Agent shall adjust such of these Terms and Conditions and/or the applicable Final

Terms as it shall determine to be appropriate to reflect that the Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of these Terms and Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes under the provisions of the 2014 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment and notifying the Issuer of such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, stating the adjustment to these Terms and Conditions and/or the applicable Final Terms and giving brief details of the relevant Successor event.

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 (i) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (ii) issues Bonds or incurs Loans (the Exchange Bonds or Loans) that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this definition of "Successor", "succeeded" and "succession" shall be construed accordingly. In the case of an exchange offer, the determinations required pursuant to paragraph (a) of this definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

**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 a 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 (a) 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.

**Transaction Auction Settlement Terms** means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms with respect to the relevant Reference Entity.

**Transaction Type** means, in respect of a Reference Entity, the Transaction Type specified in respect of such Reference Entity in the applicable Final Terms.

**Transferable** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following will 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 Securities Act (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); or
- (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 of voting periods.

Unless otherwise specified in the related Final Terms, if the Deliverable Obligation Characteristic Transferable is specified as Applicable in the related Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the specified Deliverable Obligation Category).

**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.

**Unwind Amount** means in respect of any Note the amount specified in the applicable Final Terms or if "*Standard Unwind Costs*" are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* in respect of each Note (where such apportionment will be determined by reference to the proportion that the outstanding nominal amount of any Note bears to the outstanding Aggregate Nominal Amount of the Notes).

**Valuation Date** means the date specified in the applicable Final Terms.

**Valuation Time** means the relevant time specified in the applicable Final Terms, of if "Calculation Agent" is specified, any time (as selected by the Calculation Agent in its sole and absolute discretion) on the Valuation Date during the hours that Dealers customarily bid for obligations such as the Reference Obligation.



## 20. ADDITIONAL PROVISIONS APPLICABLE TO INDEX LINKED NOTES

This Condition 20 applies to Index Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine the pay-off under Index Linked Notes. The applicable Final Terms contains provisions applicable to the determination of the performance of the relevant Index or Indices as well as other relevant provisions and must be read in conjunction with this Condition 20 and with the Technical Annex for full information on any Index Linked Notes. In particular, the applicable Final Terms will identify the relevant Index or Indices, the relevant Screen Page, the Component Transactions, the applicable formula.

### 20.1 Market Disruption

**Market Disruption Event** means, in relation to Notes relating to a single Index or basket of Indices, the occurrence or existence of (i) a Trading Disruption or, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that (x) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the level of such Index triggers respectively the Knock-in Level or the Knock-out Level or (y) in all other circumstances ends at the relevant Valuation Time, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a security, a contract or a Component Transaction included in such Index at any time, then the relevant percentage contribution of that security, that contract or that Component Transaction to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that security, that contract or that Component Transaction and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been an Averaging Date, an Observation Date, a Knock-in Determination Day, a Knock-out Determination Day or a Valuation Date.

### 20.2 Adjustments to an Index

#### (a) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the Index.

#### (b) Modification and Cessation of Calculation of an Index

If (i) on or prior to the last Valuation Date, last Observation Date, last Averaging Date, the last Knock-in Determination Day or the last Knock-out Determination Day, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts, commodities or Component Transaction and other routine events) (an **Index Modification**), or permanently cancels a relevant Index and no Successor Index exists (an **Index Cancellation**), or (ii) on a Valuation Date, an Observation Date, an

Averaging Date, a Knock-in Determination Day or Knock-out Determination Day, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and, together with an Index Modification and an Index Calculation, each an **Index Adjustment Event**), then,

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, Observation Date, that Averaging Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities/Component Transactions that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) on giving notice to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

(c) **Notice**

The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Noteholders copies of any such determinations.

### **20.3 Correction of Index**

With the exception of any corrections published after the day which is, unless stated otherwise in the applicable Final Terms, three Exchange Business Days prior to the due date for any payment of a Redemption Amount and/or Interest Amount, if the Index published on a given day and used or to be used by the Calculation Agent to determine any Redemption Amount and/or Interest Amount, is subsequently corrected and the correction published by the relevant Index Sponsor within 30 days of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is, unless stated otherwise in the relevant Final Terms, three Exchange Business Days prior to the relevant Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Redemption Amount and/or Interest Amount.

### **20.4 Additional Disruption Events**

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

- (ii) redeem the Notes by giving notice to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the holders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

## 20.5 Knock-in Event and Knock-out Event

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the level of the Index triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of this Condition 20:

**Knock-in Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant weighting is and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

**Knock-in Level** means (A) in the case of a single Index, the level of the Index specified and (B) in case of a basket of Indices, the level per Basket specified and for both (A) and (B) as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 20.1 above.

**Knock-in Determination Day** means, in the case of a single Index and in the case of a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 20.1 above. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Determination Period** means, in respect of a single Index or a basket of Indices the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**Knock-in Period Beginning Date** means, in respect of a single Index or a basket of Indices the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means, in respect of a single Index or a basket of Indices, the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

**Knock-out Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant weighting is, and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

**Knock-out Level** means, in the case of a single Index, the level of the Index specified and in the case of a basket of Indices, the level per basket specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 20.1 above.

**Knock-out Determination Day** means, in respect of a single Index and in relation to a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 20.1 above. For the purposes of a Market Disruption, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the

definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means, in respect of a single Index or a basket of Indices, the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means, in respect of a single Index or a basket of Indices, the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## 20.6 Automatic Early Redemption Event

If Automatic Early Redemption Event is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

For the purposes of these Conditions:

**Automatic Early Redemption Amount** means (a) an amount in the Specified Currency specified in the applicable Final Terms specified as such in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

**Automatic Early Redemption Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date is, and (B) in the case of a Basket of Indices, the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index of each Index as the product of (i) the level of such Index as determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date and (ii) the relevant weighting is, and for both (A) and (B) as specified in the Final Terms (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price.

**Automatic Early Redemption Level** means the level of the Index specified as such or otherwise determined in the applicable Final Terms, subject to "Adjustment to the Index" set forth in Condition 20.2 above.

**Automatic Early Redemption Price** means the price per Index specified as such or otherwise determined in the applicable Final Terms.

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

**Automatic Early Redemption Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Automatic Early Redemption Valuation Date".

## 20.7 Additional Definitions

For the purposes of this Condition 20:

**Additional Disruption Event** means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

**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.

**Average Highest** means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **Omission** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of **Valuation Date** will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **Postponement** is specified as applying in the applicable Final Terms, then the provisions of the definition of **Valuation Date** will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **Modified Postponement** is specified as applying in the applicable Final Terms then:
  - (i) where the Notes are Index Linked Notes relating to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for consecutive Scheduled Trading Days

equal in number to the Specified Maximum Days of Disruption (up to the Valuation Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of **Valuation Date** below;

- (ii) where the Notes are Index Linked Notes relating to a basket of Indices, the Averaging Date for the Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred for consecutive Scheduled Trading days equal in number to the Specified Maximum Days of Disruption (up to the Valuation Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of **Valuation Date** below; and
- (iii) for the purposes of these Conditions **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

**Change of Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (x) it has become illegal to hold, acquire or dispose of relevant security/commodity comprised in an Index or (y) it will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

**Component Security** means each and any component security of any Index.

**Component Transaction** means each and any combination of any security and/or derivative (including interest rates) contracts composing the Index as determined from time to time by the Relevant Dealers and as defined in the applicable Final Terms.

**Disrupted Day** means any Scheduled Trading Day on which the Exchange or the Related Exchange fails to open for trading during their regular trading session or a Market Disruption Event has occurred.

**Early Closure** means the closure on any Exchange Business Day with respect to such Index of any relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of such Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing

time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**Exchange** means in respect of Index Linked Notes and in relation to an Index each exchange or quotation system or over the counter exchange identified by reference to a Financial Center, specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities/contracts comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities/contracts comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).

**Exchange Business Day** means the relevant Exchange Business Day specified in the applicable Final Terms. If no Exchange Business Day is specified as applying in the applicable Final Terms, Exchange Business Day shall mean any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**Exchange Disruption** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants and Relevant Dealers in general (A) to effect transactions in, or obtain market values for on any relevant Exchange(s) in securities/commodities/contracts that comprise 20 percent or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures, options or any derivative contracts relating to the relevant Index on any relevant Related Exchange.

**Full Quotation** means, in accordance with the Quotation Method, any firm quotations obtained from Relevant Dealers at the Valuation Time, to the extent reasonably practicable, for an amount of less than the Quotation Amount; that in aggregate are approximately equal to the Quotation Amount.

**Hedging Disruption** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity, credit, interest rates, foreign currency exchange, or other price risk of the Issuer issuing 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).

**Hedging Components** means the number of securities/commodities/contracts comprised in an Index that the Issuer deems necessary to hedge the equity, credit, interest rates, foreign currency exchange or other price risk of entering into and performing its obligations with respect to the Notes.

**Highest** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risks (including, without limitation, equity and credit price risk, foreign exchange risk, interest rate risk, and any other price risks) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s),



provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**Increased Cost of Stock Borrow** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any security/commodity comprised in an Index that is greater than the Initial Stock Loan Rate.

**Indices and Index** mean, subject to adjustment in accordance with Condition 20.2, the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly.

**Index Sponsor** means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date of the Notes is the index sponsor specified for such Index in the applicable Final Terms.

**Initial Stock Loan Rate** means, in respect of a security/commodity/contracts comprised in an Index, the initial stock loan rate specified in relation to such security or commodity in the applicable Final Terms.

**Loss of Stock Borrow** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any securities/commodities/contracts comprised in an Index in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**Market Value** means, unless stated otherwise in the applicable Final Terms, with respect to the Index level being valued 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 value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest and 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 fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, an amount as determined by the Calculation Agent on any of the next ten Business Days thereafter on which two or more Full Quotations or a Weighted Average Quotation is obtained; and (vi) if two or more Full Quotations or a Weighted Average Quotation are not obtained within this additional ten Business Days' period, any one Full Quotation on such tenth Business Day, or if no Full Quotation is obtained, the Market Value shall be the weighted average of any firm quotations obtained from Relevant Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

**Maximum Stock Loan Rate** means, in respect of a security/commodity/contracts comprised in an Index, the Maximum Stock Loan Rate specified in the applicable Final Terms.

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply

*mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date".

**Observation Period** means the period specified as the Observation Period in the applicable Final Terms.

**Quotation** means each Full Quotation, the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date as follows: unless stated otherwise in the applicable Final Terms, the Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Relevant Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a 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 Relevant 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, the Quotations shall be deemed to be any Full Quotation obtained from a Relevant Dealer on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations obtained from Relevant Dealers on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which the firm quotations were not obtained on such day.

**Quotation Amount** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, an amount equal to the amount necessary to unwind the hedge of the Issuer in relation with the Notes.

**Quotation Method** means the applicable quotation method which may be specified in the Final Terms as being one of the following:

- (a) **Bid** means that only bid quotations shall be requested;
- (b) **Mid** means that the bid and offer quotations shall be requested and averaged for the purposes of determining a relevant Dealer's quotation; or
- (c) **Ask** means that only offer quotations shall be requested.

**Relevant Dealers** means official bank dealers (other than the Issuer or an affiliate of the Issuer) of the Index as appointed by the relevant Index Sponsor, or three financial institutions, selected by the Calculation Agent, that significantly deals or invests in the Index or Component Transactions for which Quotations are to be obtained. The Calculation Agent shall select the Relevant Dealers in good faith and in a commercially reasonable manner. Upon a selected Relevant Dealer no longer being in existence (with no successors), or not being an active dealer in the Index or Component Transactions of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Relevant Dealer(s) for one or more of the foregoing. Any bid quotation provided by the Issuer shall be deemed to be a Firm Quotation that it would provide to a counterparty in the market.

**Relevant Level** means the level of the Index as determined by the Calculation Agent at Valuation Time on any Valuation Date, using as specified in the applicable Final Terms, either (i) the official closing level for such Index, or (ii) the official fixing eventually calculated and/or published by the Index Sponsor; or, if nothing is specified in the Final Terms, the Valuation Method as set out therein.

**Related Exchange** means, in respect of Index Linked Notes and in relation to an Index, each exchange or quotation system or over the counter exchange identified by reference to a Financial

Center, on which futures, options or derivatives contracts relating to such Index are traded, or each exchange or quotation system or over the counter exchange identified by reference to a Financial Center, specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or over the counter exchange, or any substitute exchange or quotation system or over the counter exchange to which trading in futures, options or derivatives contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures, options or derivatives contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **Related Exchange** shall mean each exchange or quotation system or over the counter exchange where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures, options or derivatives contracts relating to such Index.

**Scheduled Closing Time** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday customarily accepted closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**Scheduled Trading Day** means the relevant Scheduled Trading Day specified in the applicable Final Terms. If no Scheduled Trading Day is specified as applying in the applicable Final Terms, Scheduled Trading Day shall mean any day on which each Exchange and each Related Exchange in respect of each such Index are scheduled to be open for trading for their respective regular trading sessions, and for which and with respect to each over the counter exchange identified by reference to a Financial Center, Relevant Dealers are scheduled to be opened for business, to bid for the relevant Index and Component Transactions.

**Scheduled Valuation Date** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**Screen Page** means the page specified in the applicable Final Terms, or any successor page or service thereto.

**Settlement Price** means, unless otherwise specified in the applicable Final Terms, in relation to each Cash Settled Note in respect of Index Linked Notes and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

- (a) in the case of Index Linked Notes relating to a basket of Indices, an amount (which shall be deemed to be a monetary amount in the Index Currency) equal to the sum of the values calculated for each Index as the Relevant Level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant multiplier; and
- (b) in the case of Index Linked Notes relating to a single Index, an amount (which shall be deemed to be a monetary amount in the Index Currency) equal to the Relevant Level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date.

**Specified Maximum Days of Disruption** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

**Trading Disruption** means (1) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to securities that comprise 20 percent or more of the level of such Index on any relevant Exchange(s) or (b) in futures, options or derivatives contracts relating to such Index on any relevant Related Exchange; and, (2) in case of Component Transactions scheduled to be quoted on an over the counter exchange identified by reference to a Financial Center, any time or day on a Scheduled Trading Day during which the Calculation Agent is unable to obtain a Quotation, as provided by the Valuation Method.

**Valuation Date** means the Coupon Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes are Index Linked Notes relating to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security/commodity/derivatives contracts comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity/derivatives contracts on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity/derivatives contracts as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
- (b) where the Notes are Index Linked Notes relating to a basket of Indices, the Valuation Date for each Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security/commodity/derivatives contracts comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity/derivatives contracts on the last such consecutive Scheduled Trading

Day, its good faith estimate of the value for the relevant security/commodity/derivatives contracts as of the Valuation Time on the last such consecutive Scheduled Trading Day),

and otherwise in accordance with the above provisions.

**Valuation Method** shall be as specified in the applicable Final Terms or otherwise shall be deemed to be, (i) if only one Valuation Date, Highest, or (ii) if more than one Valuation Date, Average Highest, or if "Market" has been designated in the relevant Final Terms, "Market Value" shall apply.

**Valuation Time** means:

- (a) the Relevant Time specified in the applicable Final Terms; and
- (b) if "Calculation Agent" is specified in the applicable Final Terms, any time (as selected by the Calculation Agent in its sole and absolute discretion) on the Valuation Date during the hours that Relevant Dealers customarily bid for the relevant Index or any of its Component Transactions; and
- (c) the Scheduled Closing Time on the Exchange on the Valuation Date. If the Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

**Weighted Average Quotation** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Relevant Dealers at the Valuation Time, to the extent reasonably practicable, for an amount of less than the Quotation Amount, that in aggregate are approximately equal to the Quotation Amount.

## 21. ADDITIONAL PROVISIONS APPLICABLE TO EQUITY LINKED NOTES

This Condition 21 applies to Equity Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine the pay-off under Equity Linked Notes. The applicable Final Terms contains provisions applicable to the determination of the performance of the relevant Share(s) as well as other relevant provisions and must be read in conjunction with this Condition 21 and with the Technical Annex for full information on any Equity Linked Notes. In particular, the applicable Final Terms will identify the relevant Share(s), the relevant Screen Page, the applicable formula.

### 21.1 Market Disruption

**Market Disruption Event** means, in relation to Notes relating to a single Share or a basket of Shares, in respect of a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent in its sole and absolute discretion, determines is material, at any time during the one hour period that (x) for the purpose of the occurrence of a Knock-in Event or a Knock-out Event begins and/or ends at the time on which the price of the Shares triggers respectively the Knock-in Price or a Knock-out Price or (y) in all other circumstances ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, an Observation Date, a Knock-in Determination Date, a Knock-out Determination Day or a Valuation Date.

## 21.2 Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency

- (a) **Potential Adjustment Event** means any of the following:
- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing Noteholders by way of bonus, capitalisation or similar issue;
  - (ii) a distribution, issue or dividend to existing Noteholders of the relevant Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to Noteholders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or certificates or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
  - (iii) an extraordinary dividend as determined by the Calculation Agent;
  - (iv) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
  - (v) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
  - (vi) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, certificates, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
  - (vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.
- (b) Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the

adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, stating the adjustment to any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

- (c) **De-Listing** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

**Insolvency** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) Noteholders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

**Merger Date** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**Merger Event** means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Notes, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Note or (b) in the case of Physical Delivery Notes, the relevant Maturity Date.

**Nationalisation** means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**Tender Offer** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. (the **Percentage Range**) of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

**Tender Offer Date** means, in respect of a Tender Offer, the date on which the voting shares in the amount of the Percentage Range are actually purchased or otherwise obtained, as determined by the Calculation Agent.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii), (iv) or (v) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or
- (ii) in the case of Equity Linked Notes relating to a basket of Shares redeem the Notes in part by giving notice to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be. If the Notes are so redeemed in part the portion (the **Redeemed Amount**) of each Note representing the affected Share(s) shall be redeemed and the Issuer will (i) pay to each Noteholder in respect of each Note held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for in the applicable Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for such redemption in part. For the avoidance of doubt the remaining part of each Note after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be; or
- (iii) unless Delayed Redemption on Occurrence of Extraordinary Events is specified as being applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the



French Law Notes, as the case may be, redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of a Note taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for in the applicable Final Terms), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be; or

- (iv) if Delayed Redemption on Occurrence of Extraordinary Event is specified as being applicable in the Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Amount**) as soon as practicable, following the occurrence of the Extraordinary Event (the **Calculated Amount Determination Date**) and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to the Calculated Amount plus interest accrued from and including the Calculated Amount Determination Date to but excluding the Maturity Date at a rate specified in the applicable Final Terms, or if no such specification, at a rate equal to Issuer's funding cost at such time.
- (v) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the Options Exchange), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.
- (vi) If the applicable Final Terms provide that **Share Substitution** is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or Delisting (as the case may be) the Calculation Agent may adjust the Basket to include a share selected by it (the **Substitute Shares**) in place of the Shares (the **Affected Share(s)**) which are affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting and the Substitute Shares and their issuer will be deemed "Shares" and a **Share Company** and **Basket Company** for the purposes of the Notes, respectively, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or the weighting and/or any of the other terms of these Conditions

and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

Such substitution and the relevant adjustment to the Basket will be deemed to be effective as of the date selected by the Calculation Agent (the **Substitution Date**) in its absolute discretion and specified in the notice referred to in sub-paragraph (C) below which may, but need not, be the Merger Date or Tender Offer Date or the date of the Nationalisation, Insolvency or Delisting (as the case may be).

The weighting of each Substitute Share in the Basket will be equal to the weighting of the relevant Affected Share.

In order to be selected as Substitute Shares, the relevant shares must be a share which, in the sole and absolute discretion of the Calculation Agent:

- (A) is not already comprised in the Basket;
  - (B) belongs to a similar economic sector as the Affected Share; and
  - (C) is of comparable market capitalisation, international standing and exposure as the Affected Share.
- (d) Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the holders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, stating the occurrence of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, including, in the case of Substitute Shares, the identity of the Substitute Shares and the Substitution Date.

### **21.3 Correction of Share Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment of any Redemption Amount and/or Interest Amount, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to determine any Redemption Amount and/or Interest Amount, is subsequently corrected and the correction published by the relevant Exchange or Related Exchange, as the case may be, within 30 days of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Exchange Business Days prior to the relevant Redemption Date or, as the case may be, Interest Payment Date will be disregarded by the Calculation Agent for the purposes of determining any Redemption Amount and/or Interest Amount.

### **21.4 Issuer's Option to substitute Assets or to pay the Alternate Cash Redemption Amount**

If prior to the redemption of Physical Delivery Notes, the Calculation Agent determines, in its sole and absolute discretion, that the Relevant Asset(s) comprise(s) Shares which are not freely tradable, the Issuer may, in its sole and absolute discretion, elect either (i) to substitute for such Shares freely tradable shares with a value equivalent to the Shares (as determined by the Calculation Agent in its sole and absolute discretion)(the **Substitute Asset(s)**) or (ii) not to deliver or procure the delivery of the Asset Amount or the Substitute Asset(s), as the case may be, but in lieu thereof to pay to the Noteholders on the Settlement Date an amount equal to the fair market value of the Asset Amount on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the **Alternate Cash Redemption Amount**).

Notification of any such election will be given to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

For the purposes hereof, a **freely tradable** share shall mean (i) with respect to the United States, a share which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share and not purchased from an affiliate of the issuer of such share or which otherwise meets the requirements of a freely tradable share for the purposes of the Securities Act, in each case, as determined by the Calculation Agent, in its sole and absolute discretion or (ii) with respect to any other jurisdiction, a share not subject to any legal restrictions on transfer in such jurisdiction.

## 21.5 Additional Disruption Events

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery Notes) and/or the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) unless Delayed Redemption on occurrence of Additional Disruption Event is specified as being applicable in the applicable Final Terms, redeem the Notes by giving notice to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be. If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him which amount shall be the fair market value of a Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.
  - (iii) if Delayed Redemption on Occurrence of Additional Disruption Event is specified as being applicable in the Final Terms, the Calculation Agent shall calculate the fair market value of each Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (the **Calculated Additional Disruption Amount**) as soon as practicable, following the occurrence of the Extraordinary Event (the **Calculated Additional Disruption Amount Determination Date**) and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to the Calculated Additional Disruption Amount plus interest accrued from and including the Calculated Additional Disruption Amount Determination Date to but excluding the Maturity Date at a rate specified in the applicable Final Terms, or if no such specification, at a rate equal to Issuer's funding cost at such time.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the holders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

## 21.6 Knock-in Event and Knock-out Event

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment and/or delivery under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then unless otherwise specified in such Final Terms, amendment to the terms of the Notes, as specified in the applicable Final Terms, and/or payment and/or delivery under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the price of the Share triggers the Knock-in Price or the Knock-out Price, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of these Conditions:

**Knock-in Event** means (unless otherwise specified in the applicable Final Terms) (A) in case of a single Share that the price of the Share determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (B) in case of a share Basket, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on the relevant Exchange on any Knock-in Determination Day and (ii) the relevant Number of Shares comprised in the Basket is as specified in the applicable Final Terms, and for both (A) and (B) (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price.

**Knock-in Determination Day** means in the case of a single Share and in the case of a basket of Shares, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 21.1 above. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Determination Period** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Price** means, (A) in case of a single Share, the price per Share and (B) in the case of a share Basket, the price per Basket and for both (A) and (B) specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Condition 21.2 above and this Condition 21.6.

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

**Knock-out Event** means (unless otherwise specified in the applicable Final Terms), (A) in case of a single Share that the price of the Share determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is, and (B) in the case of a share Basket, the amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) the price of such Share as determined by the Calculation Agent as of the Knock-in Valuation Time on the relevant Exchange on any Knock-in Determination Day and (ii) the relevant Number of Shares comprised in the Basket is, and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price.

**Knock-out Price** means, (A) in the case of a single Share, the price per Share or (B) in the case of a share Basket the price per Basket and for both (A) and (B) specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Condition 21.2 above and this Condition 21.6.

**Knock-out Determination Day** means in the case of a single Share and in the case of a basket of Shares, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 21.1 above. For the purposes of such Condition 21.1, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

## 21.7 Automatic Early Redemption Event

If Automatic Early Redemption Event is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

For the purposes of this Condition 21:

**Automatic Early Redemption Amount** means (a) an amount in the Specified Currency specified in the applicable Final Terms specified as such in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

**Automatic Early Redemption Event** means (unless otherwise specified in the applicable Final Terms) (A) in case of a single Share that the price of the Share determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Automatic Early Redemption Valuation Date is, and (B) in the case of a share Basket, the amount for the Basket determined by the Calculation Agent equal to the sum of the values for the Shares of each Company as the product of (i) the price of such Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Automatic Early Redemption Valuation Date and (ii) the relevant Number of Shares comprised in the Basket is, and for both (A) and (B) as specified in the applicable Final Terms (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price.

**Automatic Early Redemption Price** means the price per Share specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in this Condition 21.7.

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

**Automatic Early Redemption Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to, in either case, the provisions of "Market Disruption" set out in Condition 21.1 above. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Automatic Early Redemption Valuation Date".

## 21.8 Additional Definitions

Unless otherwise specified in the applicable Final Terms:

**Additional Disruption Event** means any of Change of Law, Failure to Deliver, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

**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.

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **Omission** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of **Valuation Date** will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **Postponement** is specified as applying in the applicable Final Terms, then the provisions of the definition of **Valuation Date** will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **Modified Postponement** is specified as applying in the applicable Final Terms then:
  - (i) where the Notes are Equity Linked Notes relating to a single share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption (up to Valuation Time on such last consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether the last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of **Valuation Date** below;
  - (ii) where the Notes are Equity Linked Notes relating to a basket of Shares, the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred for consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption (up to the Valuation Time on the last such consecutive Scheduled Trading Days) Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Share, and (B) the Calculation Agent shall determine the

relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of **Valuation Date** below.

**Basket Company** means a company whose shares are included in the basket of Shares and **Basket Companies** means all such companies;

**Change of Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (x) it has become illegal to hold, acquire or dispose of any relevant Share or (y) it will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

**Disrupted Day** means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**Early Closure** means the closure on any Exchange Business Day of relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**Exchange** means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

**Exchange Business Day** means the relevant Exchange Business Day specified in the applicable Final Terms. If no Exchange Business Day is specified as applying in the applicable Final Terms, Exchange Business Day shall mean any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**Exchange Disruption** means, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the shares on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant share on any relevant Related Exchange.

**Failure to Deliver** means failure of the Issuer and/or any of its Affiliates to deliver, when due, the relevant Shares under the Notes, where such failure to deliver is due to illiquidity in the market for such Shares.

**Hedging Disruption** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk



of the Issuer issuing 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).

**Hedging Shares** means the number of Shares that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Notes.

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**Increased Cost of Stock Borrow** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share that is greater than the Initial Stock Loan Rate.

**Initial Stock Loan Rate** means, in respect of a Share, the initial stock loan rate specified in relation to such Share in the applicable Final Terms.

**Insolvency Filing** means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing.

**Loss of Stock Borrow** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**Maximum Stock Loan Rate** means, in respect of a Share, the Maximum Stock Loan Rate specified in the applicable Final Terms.

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date".

**Observation Period** means the period specified as the Observation Period in the applicable Final Terms.

**Related Exchange** means in respect of Equity Linked Notes and in relation to a Share, each exchange or quotation system on which option contracts or futures contracts relating to such Share are traded, or each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or

quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **Related Exchange** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

**Scheduled Closing Time** means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**Scheduled Trading Day** means the relevant Scheduled Trading Day specified in the applicable Final Terms. If no Scheduled Trading Day is specified as applying in the applicable Final Terms, Scheduled Trading Day shall mean any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

**Scheduled Valuation Date** means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

**Screen Page** means the page specified in the applicable Final Terms, or any successor page or service thereto.

**Settlement Price** means, unless otherwise specified in the applicable Final Terms, in relation to each Cash Settled Note in respect of Equity Linked Notes, and as referred to in **Valuation Date** below or **Averaging Date** above, as the case may be:

- (a) in the case of Equity Linked Notes relating to a basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent in its sole and absolute discretion) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent shall decide, multiplied by the relevant multiplier, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and

- (b) in the case of Equity Linked Notes relating to a single Share, an amount equal to the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent in its sole and absolute discretion) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent.

**Shares** and **Share** mean in the case of an issue of Notes relating to a basket of Shares, each share and, in the case of an issue of Notes relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly.

**Share Company** means, in the case of an issue of Notes relating to a single Share, the company that has issued such share.

**Specified Maximum Days of Disruption** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

**Trading Disruption** means, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the share or (b) in futures or options contracts relating to such share on any relevant Related Exchange.

**Valuation Date** means the Coupon Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes are Equity Linked Notes relating to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or

- (b) where the Notes are Equity Linked Notes relating to a basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, and, in the case of a Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day,

and otherwise in accordance with the above provisions.

**Valuation Time** means the Relevant Time specified in the applicable Final Terms or, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share to be valued provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

## 22. ADDITIONAL PROVISIONS APPLICABLE TO INFLATION LINKED NOTES

This Condition 22 applies to Inflation Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine the pay-off under Inflation Linked Notes and the performance of the relevant inflation index. The applicable Final Terms contains provisions applicable to the determination of the performance of the relevant inflation index as well as other relevant provisions and must be read in conjunction with this Condition 22 and with the Technical Annex for full information on any Inflation Linked Notes. In particular, the applicable Final Terms will identify the relevant index or indices, the relevant Screen Page, the various levels and other factors required to apply the formula.

### 22.1 Delay in Publication

If the Calculation Agent determines that, in relation to Notes relating to a single Index or a basket of Indices, a Delayed Index Level Event in respect of an Index has occurred with respect to any Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, then the Relevant Level with respect to any Reference Month which is to be used in any calculation or determination to be made by the Calculation Agent with respect to such Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date (the **Substitute Index Level**) shall be determined by the Calculation Agent (subject to Condition 22.3(a) "Adjustments-Substitute Index Level" below), as follows:

- (a) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (b) if (I) Related Bond is specified as not applicable in the applicable Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the

Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

$$\text{SubstituteIndexLevel} = \text{BaseLevel} \times (\text{LatestLevel} / \text{ReferenceLevel}); \text{ or}$$

- (c) otherwise in accordance with any formula specified in the applicable Final Terms,

where:

**Base Level** means the level of the Index (whether definitive or provisional) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

**Latest Level** means the latest level of the Index (whether definitive or provisional) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Index Level is being calculated.

**Reference Level** means the level of the Index (whether definitive or provisional) published or announced by the Index Sponsor in respect of the month that is 12 calendar months prior to the month referred to in "Latest Level" above.

The Issuer shall promptly give notice to the holders of the Notes in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of any Substitute Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 22.1 will be the definitive level for that Reference Month.

## 22.2 Successor Index

If in relation to Notes relating to a single Index or a basket of Indices, the Calculation Agent determines that the level of an Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will not longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (**a Successor Index**) (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

- (a) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine a "Successor Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Index". If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the "Successor Index";
- (c) If no Successor Index has been deemed under (i) above or if fewer than three responses are received under (ii) above by the Cut-Off Date the Calculation Agent will determine an

appropriate alternative index for the relevant Payment Date, and such index will be deemed a "Successor Index"; or

- (d) if the Calculation Agent determines that there is no appropriate alternative index, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to holders of the Notes by the Issuer in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

### **22.3 Adjustments**

#### **(a) Substitute Index Level**

If the Calculation Agent determines a Substitute Index Level in accordance with Condition 22.1 "Delay in Publication" above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (I) the Substitute Index Level determined in accordance with Condition 22.1 "Delay in Publication" above and/or (II) the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

#### **(b) Successor Index**

If a Successor Index is determined in accordance with Condition 22.2 "Successor Index" above, the Calculation Agent may make any adjustment or adjustments (without limitation) to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

#### **(c) Index Level Adjustment Correction**

- (i) If, within thirty days of publication or at any time prior to an Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Observation Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the holders of the Notes of any such adjustment and/or amount in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.
- (ii) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of an Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date in respect of which a Substitute Index Level was

determined, the Calculation Agent may either (A) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (B) make any adjustment to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the holders of the Notes of any determination in respect of (A) or (B), together with any adjustment or amount in respect thereof, in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

(iii) **Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the final Redemption Amount, and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Calculation Agent shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

(d) **Rebasing**

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the **Rebased Index**) will be used for purposes of determining the Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (A) if Related Bond is specified as applicable in the applicable Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (B) if Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased, and in each case the Calculation Agent may make any adjustment(s) to the final Redemption Amount, interest payable under the Notes (if any) and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (A) nor (B) above would produce a commercially reasonable result, the Calculation Agent may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, at its fair economic value as determined by the Calculation Agent (unless otherwise provided in the applicable Final Terms) as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any adjustment, redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

(e) **Index Modification**

- (i) If, in relation to Notes relating to a single Index or a basket of Indices on or prior to the Cut-Off Date in respect of any Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, the Calculation Agent

determines that an Index Modification has occurred the Calculation Agent may (A) if Related Bond is specified as applicable in the applicable Final Terms, make any adjustments to the Index, any Relevant Level and/or any other relevant term of the Notes (including, without limitation, the final Redemption Amount and/or interest payable under the Notes (if any)), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (B) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Index, any Relevant Level and/or any other term of the Notes (including, without limitation, the final Redemption Amount and/or interest payable under the Notes (if any)), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.

- (ii) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date such that the provisions of sub-paragraph (i) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with sub-paragraph (i) above.

(f) **Index Cancellation**

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

(g) **Change in law**

If the Calculation Agent determines that a Change in Law has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Change in Law, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any redemption of the Notes pursuant to this paragraph shall be given to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

(h) **Additional Definitions**



**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **Omission** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the Relevant Level on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **Postponement** is specified as applying in the applicable Final Terms, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **Modified Postponement** is specified as applying in the applicable Final Terms then:
  - (i) where the Notes are Inflation Linked Notes relating to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption (up to the Relevant Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of Valuation Date below;
  - (ii) where the Notes are Inflation Linked Notes relating to a basket of Indices, the Averaging Date for the Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred for consecutive Scheduled Trading days equal in number to the Specified Maximum Days of Disruption (up to the Relevant Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Index, and (B) the Calculation Agent shall determine the relevant level for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of Valuation Date below; and
  - (iii) for the purposes of these Conditions **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

**Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of any change in the interpretation by any court, tribunal or regulatory authority, the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

**Cut-Off Date** means, in respect of an Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, five Business Days prior to such Observation Date, unless otherwise stated in the applicable Final Terms.

**Delayed Index Level Event** means, in respect of any Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the **Relevant Level**) in respect of any Reference Month which is to be used in any calculation or determination to be made by the Calculation Agent in respect of such Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date at any time on or prior to the Cut-Off Date.

**Disrupted Day** means any Scheduled Trading Day on which the Calculation Agent determines that a Delay in Publication has occurred.

**Fallback Bond** means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Index relates and which pays a coupon or redemption amount which is calculated by reference to the Index, with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Germany, Italy or Spain, and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems the Calculation Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

**Index** or **Indices** means the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

**Index Cancellation** means a level for the Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists.

**Index Modification** means the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

**Index Sponsor** means in relation to an Index, the corporation or entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day which as of the Issue Date of the Notes is the index sponsor in the applicable Final Terms.

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date".

**Observation Period** means the period specified as the Observation Period in the applicable Final Terms.

**Rebased Index** has the meaning given to it under Condition 22.3(d) "Rebasing" above.

**Reference Month** means the calendar month for which the level of the Index was reported, regardless of when this information is published or announced. If the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level was reported.

**Related Bond** means, if specified as applicable in the applicable Final Terms, means the bond specified as such in the applicable Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Final Terms there will be no Related Bond. If a bond is selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination.

**Related Bond Redemption Event** means, if specified as applicable in the applicable Final Terms, at any time prior to the Maturity Date, (i) the Related Bond is redeemed, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

**Relevant Level** has the meaning given to it in the definition of Delayed Index Level Event.

**Scheduled Trading Day** means the relevant Scheduled Trading Day specified in the applicable Final Terms.

**Specified Maximum Days of Disruption** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

**Successor Index** has the meaning given to it in under Condition 22.2 "Successor Index" above.

**Substitute Index Level** means, in respect of a Delayed Index Level Event, the index level determined by the Calculation Agent in accordance with Condition 22.3(a) "Substitute Index Level" above.

**Valuation Date** means the Coupon Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes are Inflation Linked Notes relating to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum

Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Relevant Level in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Relevant Level in accordance with its good faith estimate of the value for the Relevant Level as of the Relevant Time on the last such consecutive Scheduled Trading Day; or

- (b) where the Notes are Inflation Linked Notes relating to a basket of Indices, the Valuation Date for each Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Relevant Time on the last such consecutive Scheduled Trading Day),

and otherwise in accordance with the above provisions.

#### **22.4 Knock-in Event and Knock-out Event**

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

For the purposes of this Condition 22:

**Knock-in Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant weighting is and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

**Knock-in Level** means (A) in the case of a single Index, the level of the Index specified and (B) in case of a basket of Indices, the level per Basket specified and for both (A) and (B) as such or otherwise determined in the applicable Final Terms.

**Knock-in Determination Day** means, in the case of a single Index and in the case of a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the

Knock-in Determination Period, subject to, in either case, the provisions of "Delay in Publication" set out in Condition 22.1 above. For the purposes of a Delay in Publication, any Knock-in Determination Day will be treated as an Observation Date and the provisions contained in the definition of "Observation Date" set out above shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Determination Period** means, in respect of a single Index or a basket of Indices the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**Knock-in Period Beginning Date** means, in respect of a single Index or a basket of Indices the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means, in respect of a single Index or a basket of Indices, the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

**Knock-out Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (B) in the case of a basket of Indices, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the level of such Index as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant weighting is, and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

**Knock-out Level** means, in the case of a single Index, the level of the Index specified and in the case of a basket of Indices, the level per basket specified as such or otherwise determined in the applicable Final Terms.

**Knock-out Determination Day** means, in respect of a single Index and in relation to a basket of Indices, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period, subject to, in either case, the provisions of "Delay in Publication" set out in Condition 22.1 above. For the purposes of a Delay in Publication, any Knock-out Determination Day will be treated as an Observation Date and the provisions contained in the definition of "Observation Date" set out above shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means, in respect of a single Index or a basket of Indices, the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means, in respect of a single Index or a basket of Indices, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means, in respect of a single Index or a basket of Indices, the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

**Scheduled Closing Time** means the Relevant Time specified in the applicable Final Terms on a given Scheduled Trading Day.

## 22.5 Automatic Early Redemption Event

If Automatic Early Redemption Event is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

For the purposes of these Conditions:

**Automatic Early Redemption Amount** means (a) an amount in the Specified Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

**Automatic Early Redemption Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Index, that the level of the Index determined by the Calculation Agent as of the Schedule Closing Time on any Automatic Early Redemption Valuation Date is, and (B) in the case of a basket of Indices, the amount for the basket determined by the Calculation Agent equal to the sum of the values of each Index as the product of (i) the level of such Index as determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date and (ii) the relevant weighting is, and for both (A) and (B) as specified in the Final Terms (a) "greater than", (b) "greater than or equal to", (c) "less than" or (d) "less than or equal to" the Automatic Early Redemption Level.

**Automatic Early Redemption Level** means the level of the Index specified as such or otherwise determined in the applicable Final Terms, subject to "Adjustments" set forth in Condition 22.3 above.

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

**Automatic Early Redemption Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, unless, in

the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Automatic Early Redemption Valuation Date".

## **23. ADDITIONAL PROVISIONS APPLICABLE TO CURRENCY LINKED NOTES**

This Condition 23 applies to Currency Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine the pay-off under Currency Linked Notes. The applicable Final Terms contains provisions applicable to the determination of the performance of the relevant Exchange Rate or Exchange Rates as well as other relevant provisions and must be read in conjunction with this Condition 23 and with the Technical Annex for full information on any Currency Linked Notes. In particular, the applicable Final Terms will identify the relevant Exchanges Rate(s).

### **23.1 Determination of Disruption Event**

If, in the opinion of the Calculation Agent, a Disruption Event (as defined below) has occurred and is continuing on any Observation Date, Knock-in Determination Date or Knock-out Determination Date then such Observation Date, Knock-in Determination Day or Knock-out Determination Day shall be postponed to the first following Business Day in respect of which there is no such Disruption Event; provided, however, that in no event shall the Observation Date, Knock-in Determination Date or Knock-out Determination Date be later than the eighth Business Day after the Maturity Date or the Early Redemption Date, as the case may be, and, if a Disruption Event in relation to an Exchange Rate is continuing on such eighth Business Day, the Observation Date, Knock-in Determination Date or Knock-out Determination Date shall be such eighth Business Day and the Issuer shall pay in lieu of payment of the Redemption Amount or the Early Redemption Amount on the Maturity Date or Early Redemption Date, as the case may be, the Disruption Redemption Amount (as notified below) on the third Business Day following such eighth Business Day. All determinations made by the Calculation Agent pursuant to this Condition will be conclusive and binding on the Noteholders and the Issuer except in the case of manifest error.

Notice of the Disruption Redemption Amount, determined in accordance with this Condition will be given to holders of the relevant Notes by the Issuer in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

**Disruption Event**, in respect of Currency Linked Notes, means the occurrence of any of the following events:

- (a) Price Source Disruption;
- (b) Illiquidity Disruption;
- (c) Dual Exchange Rate,

which in either case the Calculation Agent determines is material, at any time during the one hour period that (x) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the level of such Exchange Rate triggers respectively the Knock-in Level or the Knock-out Level or (y) in all other circumstances ends at the relevant Relevant Time;

- (d) any other event that, in the opinion of the Calculation Agent, materially affects dealings in the Notes of any Series or affects the ability of the Issuer to meet any of its obligations under the Notes of any Series or under any related hedge transactions.

### **23.2 Calculation of Exchange Rates for certain Settlement Rate options**

- (a) If any of the Exchange Rates specified in the applicable Final Terms are published or announced by more than one screen page and the screen page referred to in such applicable Final Terms fails to publish or announce that Exchange Rate on the Rate Calculation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by such screen page), then the Spot Rate for that Rate Calculation Date will be determined by the Calculation Agent in its absolute discretion.
- (b) If the Exchange Rates specified in the applicable Final Terms are reported, sanctioned, recognised, published, announced or adopted (or are the subject of other similar action) by the relevant Governmental Authority (as defined below), and such Exchange Rate ceases to exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by such Governmental Authority (the **Official Successor Rate**), then the Spot Rate for the relevant Rate Calculation Date will be determined by the Calculation Agent in its absolute discretion.
- (c) For the purposes of determining the Spot Rate for any Rate Calculation Date in any case where the Spot Rate for a Rate Calculation Date is based on information obtained from the Reuters Monitor Money Rates Service or the Dow Jones Telerate Service, the Spot Rate will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such notice.

Notwithstanding the preceding paragraph, in any case where the Spot Rate for a Rate Calculation Date is based on the information published or announced by a Governmental Authority in the relevant country, the Spot Rate will be subject to the correction, if any, to that information subsequently published or announced by that source within the shorter of the period of five days from the Rate Calculation Date and the period expiring on the Business Day prior to the Maturity Date or Early Redemption Payment Date, as the case may be.

### **23.3 Knock-in Event and Knock-out Event**

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on which the relevant Exchange



is opened for business and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the level of the Exchange Rate triggers the Knock-in Level or the Knock-out Level, a Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of this Condition 23:

**Knock-in Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Exchange Rate, that the level of the Exchange Rate determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (B) in the case of Exchange Rates, that the amount for the basket determined by the Calculation Agent equal to the sum of the values of each Exchange Rate as the product in respect of each Exchange Rate of (i) the level of such Exchange Rate as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant weighting is and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

**Knock-in Level** means (A) in the case of a single Exchange Rate, the level of the Exchange Rate specified and (B) in case of a basket of Exchange Rates, the level per Basket specified and for both (A) and (B) as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Disruption Event" set out in Condition 23.1 above.

**Knock-in Determination Day** means, in the case of a single Exchange Rate and in the case of a basket of Exchange Rates, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Disruption Event" set out in Condition 23.1 above. For the purposes of a Disruption Event, any Knock-in Determination Day will be treated as an Observation Date and the provisions contained in the definition of "Observation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Determination Period** means, in respect of a single Exchange Rate or a basket of Exchange Rates the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**Knock-in Period Beginning Date** means, in respect of a single Exchange Rate or a basket of Exchange Rates the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means, in respect of a single Exchange Rate or a basket of Exchange Rates, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means, in respect of a single Exchange Rate or a basket of Exchange Rates, the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

**Knock-out Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Exchange Rate, that the level of the Exchange Rate determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (B) in the case of a

basket of Exchange Rates, that the amount for the Basket determined by the Calculation Agent equal to the sum of the values of each Exchange Rate as the product in respect of each Exchange Rate of (i) the level of such Exchange Rate as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant weighting is, and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

**Knock-out Level** means, in the case of a single Exchange Rate, the level of the Exchange Rate specified and in the case of a basket of Exchange Rates, the level per basket specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of " Disruption Event " set out in Condition 23.1 above.

**Knock-out Determination Day** means, in respect of a single Exchange Rate and in relation to a basket of Exchange Rates, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Disruption Event" set out in Condition 23.1 above. For the purposes of a Disruption Event, any Knock-out Determination Day will be treated as an Observation Date and the provisions contained in the definition of "Observation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means, in respect of a single Exchange Rate or a basket of Exchange Rates, the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means, in respect of a single Exchange Rate or a basket of Exchange Rates, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means, in respect of a single Exchange Rate or a basket of Exchange Rates, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means, in respect of a single Exchange Rate or a basket of Exchange Rates, the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

#### **23.4 Automatic Early Redemption Event**

If Automatic Early Redemption Event is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

For the purposes of this Condition 23:

**Automatic Early Redemption Amount** means (a) an amount in the Specified Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each

Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

**Automatic Early Redemption Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of an Exchange Rate, that the level of the Exchange Rate determined by the Calculation Agent as of the Relevant Time on any Automatic Early Redemption Valuation Date is, and (B) in the case of basket of Exchange Rates, the amount for the basket determined by the Calculation Agent equal to the sum of the values of each Exchange Rate as the product of (i) the level of such Exchange Rate as determined by the Calculation Agent as of the Relevant Time on any Automatic Early Redemption Valuation Date and (ii) the relevant weighting is, and for both (A) and (B) as specified in the Final Terms (a) "greater than", (b) "greater than or equal to", (c) "less than" or (d) "less than or equal to" the Automatic Early Redemption Level.

**Automatic Early Redemption Level** means the level of the Exchange Rate specified as such or otherwise determined in the applicable Final Terms, subject to "Disruption Event" set forth in Condition 23.1 above.

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

**Automatic Early Redemption Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Automatic Early Redemption Valuation Date".

### 23.5 Additional definitions

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **Omission** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Rate provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **Postponement** is specified as applying in the applicable Final Terms, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **Modified Postponement** is specified as applying in the applicable Final Terms then:
  - (i) where the Notes are Currency Linked Notes relating to a single Exchange Rate, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the

first succeeding Valid Date has not occurred for consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption (up to the Relevant Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of Valuation Date below;

- (ii) where the Notes are Currency Linked Notes relating to a basket of Exchange Rates, the Averaging Date for the Exchange Rate not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Exchange Rate. If the first succeeding Valid Date in relation to such Exchange Rate has not occurred for consecutive Scheduled Trading days equal in number to the Specified Maximum Days of Disruption (up to the Relevant Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Exchange Rate, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of Valuation Date below; and
- (iii) for the purposes of these Conditions **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

**Disrupted Day** means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred.

**Dual Exchange Rate** means with respect to any Exchange Rate, that the Exchange Rate splits into dual or multiple currency exchange rates.

**Exchange Rate** means the rate of exchange of the Currency of one country for the Currency of another country, as specified in the applicable Final Terms.

**Governmental Authority** means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial market (including the central bank) of the countries for which the Relevant Currencies are the lawful currencies.

**Illiquidity Disruption** means in relation to an Exchange Rate the occurrence of an event whereby it becomes impossible to obtain a firm quote of the Settlement Rate for an amount to be determined by the Calculation Agent on the Observation Date (or, if different, the day on which rates for that Observation Date would, in the ordinary course, be published or announced by the relevant price source).

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the

opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date".

**Observation Period** means the period specified as the Observation Period in the applicable Final Terms.

**Price Source Disruption** means in relation to an Exchange Rate in respect of a Currency Linked Note, means it becomes impossible to obtain the Settlement Rate on the Observation Date (or, if different, the day on which rates for that Observation Date would, in the ordinary course, be published or announced by the relevant price source).

**Rate Calculation Date** means Observation Date or the Averaging Date, as appropriate.

**Relevant Currencies** means those currencies which comprise each Exchange Rate.

**Relevant Time** means the time specified in the applicable Final Terms on the relevant Observation Date which, unless otherwise specified in the applicable Final Terms, shall be the time at which the Price Source published the relevant Exchange Rate(s) from which the Settlement Rate is calculated.

**Scheduled Trading Day** means the relevant Scheduled Trading Day specified in the applicable Final Terms.

**Settlement Rate** means, in relation to an Exchange Rate, for any Observation Date in respect of a Maturity Date or an Early Redemption Date (as the case may be) the currency exchange rate equal to (i) the Settlement Rate specified or otherwise determined as provided in the applicable Final Terms or, (ii) if a Settlement Rate or a means of determining a Settlement Rate is not so specified, the Spot Rate for that Observation Date.

**Specified Maximum Days of Disruption** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

**Spot Rate** means, for any date, the exchange rate(s) determined in accordance with the method specified in the applicable Final Terms, or if not specified, the exchange rate at the time at which such exchange rate(s) is/are to be determined for foreign exchange transactions in the relevant Currencies for value on that date as determined by the Calculation Agent in its absolute discretion.

**Valuation Date** means the Coupon Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes are Currency Linked Notes relating to a single Exchange Rate, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Rate in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Rate in accordance with its good faith estimate of the value for the Settlement Rate as of the Relevant Time on the last such consecutive Scheduled Trading Day; or

- (b) where the Notes are Currency Linked Notes relating to a basket of Exchange Rates, the Valuation Date for each Exchange Rate, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Exchange Rate, affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Rate using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Relevant Time on the last such consecutive Scheduled Trading Day),

and otherwise in accordance with the above provisions.

## **24. ADDITIONAL PROVISIONS APPLICABLE TO COMMODITY LINKED NOTES**

This Condition 24 applies to Commodity Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine the pay-off under Commodity Linked Notes. The applicable Final Terms contains provisions applicable to the determination of the performance of the relevant Commodity or Commodities as well as other relevant provisions and must be read in conjunction with this Condition 24 and with the Technical Annex for full information on any Commodity Linked Notes.

### **24.1 Market Disruption**

**Market Disruption Event** means, in respect of a relevant Commodity or Commodity Index and as determined by the Calculation Agent, the occurrence or existence of:

- (a) in the case of all Commodities and each Commodity Index, a Price Source Disruption, Trading Disruption, Disappearance of Commodity Reference Price; and in addition
- (b) in the case of each Commodity Index and all Commodities other than gold, silver, platinum or palladium, Material Change in Formula, Material Change in Content and/or Tax Disruption; and in addition
- (c) in the case of a Commodity Index, Index Component Disruption Event.

The Calculation Agent shall, as soon as practicable, notify the Issuer and the relevant Agent of if it has determined that a Market Disruption Event has occurred and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by holders copies of any such determinations.

### **24.2 Disruption Fallbacks**

**Disruption Fallback** means a source or method specified in the applicable Final Terms as giving rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price or the redemption of the Notes when a Market Disruption Event occurs or exists on a day that is a Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date (or, if different, the day on which prices for that Observation Date, Averaging

Date, Knock-in Determination Date or Knock-out Determination Date would, in the ordinary course, be published or announced by the Price Source).

(a) **Disappearance of Commodity Reference Price, a Material Change in Formula, or a Material Change in Content**

If, with respect to the relevant Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date the Calculation Agent considers that there is in existence (i) a Disappearance of Commodity Reference Price, or (ii) a Material Change in Formula, or (iii) a Material Change in Content is available, then

- (i) the Calculation Agent shall determine if such event has a material effect on the Notes and, if so, shall calculate the relevant amount payable on the Notes using, in lieu of a published price for that Commodity or Component, as the case may be, the price for that Commodity or Component, as the case may be, as at the time specified on that Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, as the case may be, as determined by the Calculation Agent taking into consideration the latest available quotation for such Commodity and any other information that in good faith it deems relevant; or
- (ii) unless Delayed Redemption on Occurrence of Market Disruption Event is specified as being not applicable in the applicable Final Terms, on giving notice to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be; or
- (iii) if Delayed Redemption on Occurrence of Market Disruption Event is specified as being applicable in the applicable Final Terms, the Calculation Agent shall calculate the fair market value of each Note less the cost to the Issuer of unwinding any underlying related hedging arrangements (the **Calculated Amount**) as soon as practicable following the occurrence of the Market Disruption Event (the **Calculated Amount Determination Date**) and on the Maturity Date shall redeem each Note at an amount calculated by the Calculation Agent equal to (x) the Calculated Amount plus interest accrued from and including the Calculated Amount Determination Date to but excluding the Maturity Date at a rate equal to Issuer's funding cost at such time or (y) if greater, its nominal amount.

(b) **Tax Disruption**

If the Calculation Agent determines in good faith that a Tax Disruption has occurred or exists in respect of an Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, the Calculation Agent shall determine if such Tax Disruption has a material effect on the Notes and if so (i) shall effect any adjustments that it deems in good faith necessary to the terms and conditions of the Notes or, if it determines that such adjustments cannot be made, (ii) on giving notice to Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, the Issuer shall redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of such Note, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined

by the Calculation Agent in its sole and absolute discretion. Payment shall be made in such manner as shall be notified to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be.

(c) **Price Source Disruption and Trading Disruption**

If, with respect to the relevant Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, a Price Source Disruption or Trading Disruption has been in existence in excess of the Specified Maximum Days of Disruption and no Substitute Commodity Price is available in respect of such Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date on the opinion of the Calculation Agent, then the Calculation Agent shall apply the Commodity Fallback Value in order to determine the Commodity Reference Price.

(d) **Index Component Disruption**

If the Calculation Agent determines that, on an Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date (or, if different, the day on which prices for that Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date would, in the ordinary course, be published or announced by the Price Source) an Index Component Disruption Event has occurred or exists then the Calculation Agent shall determine the Relevant Price (or a method for determining the Relevant Price) for that Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date and each subsequent Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date (if any).

### **24.3 Correction of Commodity Reference Price**

With the exception of any corrections published after the day which is, unless stated otherwise in the applicable Final Terms, three Commodity Business Days prior to the due date for any payment under the Notes calculated by reference to a Commodity Reference Price, if the Commodity Reference Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Notes is subsequently corrected and the correction published by the relevant Exchange or any other person responsible for the publication or announcement of the Commodity Reference Price within 30 calendar days of the original publication, the price to be used shall be the price of the relevant Commodity as so corrected. Corrections published after the day which is, unless stated otherwise in the Applicable Final Terms, three Commodity Business Days prior to a due date for payment under the Notes calculated by reference to a Commodity Reference Price will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

### **24.4 Knock-in Event and Knock-out Event**

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination



Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on which the relevant Exchange is opened for business and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the price of the Commodity triggers the Knock-in Level or the Knock-out Level, a Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of this Condition 24:

**Knock-in Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Commodity, that the price of the Commodity determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is and (B) in the case of a basket of Commodities, that the amount for the basket determined by the Calculation Agent equal to the sum of the values of each Commodity as the product in respect of each Commodity of (i) the price of such Commodity as of the Knock-in Valuation Time on any Knock-in Determination Day and (ii) the relevant weighting is and for both (A) and (B) as specified in the applicable Final Terms, (a) "greater than", (b) "greater than or equal to", (c) "less than" or (d) "less than or equal to" the Knock-in Level.

**Knock-in Level** means (A) in the case of a single Commodity, the price of the Commodity specified and (B) in case of a basket of Commodities, the price per Commodity specified and for both (A) and (B) as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption Event" set out in Condition 24.1 above.

**Knock-in Determination Day** means, in the case of a single Commodity and in the case of a basket of Commodities, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption Event" set out in Condition 24.1 above. For the purposes of a Market Disruption Event, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Determination Period** means, in respect of a single Commodity or a basket of Commodities the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**Knock-in Period Beginning Date** means, in respect of a single Commodity or a basket of Commodities the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means, in respect of a single Commodity or a basket of Commodities, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means, in respect of a single Commodity or a basket of Commodities, the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation

Time, the Knock-in Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

**Knock-out Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a single Commodity, that the price of the Commodity determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is and (B) in the case of a basket of Commodities, that the amount for the basket of Commodities determined by the Calculation Agent equal to the sum of the values of each Commodity as the product in respect of each Commodity of (i) the price of such Commodity as of the Knock-out Valuation Time on any Knock-out Determination Day and (ii) the relevant weighting is, and for both (A) and (B) as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

**Knock-out Level** means, in the case of a single Commodity Index, the level of the Commodity specified and in the case of a basket of Commodities, the price per basket specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption Event" set out in Condition 24.1 above.

**Knock-out Determination Day** means, in respect of a single Commodity and in relation to a basket of Commodities, as specified in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provision of "Market Disruption Event" set out in Condition 24.1 above. For the purposes of a Disruption Event, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means, in respect of a single Commodity or a basket of Commodities, the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means, in respect of a single Commodity or a basket of Commodities, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means, in respect of a single Commodity or a basket of Commodities, the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means, in respect of a single Commodity or a basket of Commodities, the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

## **24.5 Automatic Early Redemption Event**

If Automatic Early Redemption Event is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the

Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

For the purposes of these Conditions:

**Automatic Early Redemption Amount** means (a) an amount in the Specified Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

**Automatic Early Redemption Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of a Commodity, that the price of the Commodity determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date is, and (B) in the case of basket of Commodities, the amount for the basket determined by the Calculation Agent equal to the sum of the prices of each Commodity as the product of (i) the price of such Commodity as determined by the Calculation Agent as of the Valuation Time on any Automatic Early Redemption Valuation Date and (ii) the relevant weighting is, and for both (A) and (B) as specified in the Final Terms (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price.

**Automatic Early Redemption Price** means the price per Commodity specified as such or otherwise determined in the applicable Final Terms, subject to "Market Disruption Event" set forth in Condition 24.1 above.

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

**Automatic Early Redemption Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Commodity Business Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Automatic Early Redemption Valuation Date".

## 24.6 Definitions

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **Omission** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Commodity Reference Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

- (b) if **Postponement** is specified as applying in the applicable Final Terms, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **Modified Postponement** is specified as applying in the applicable Final Terms then:
- (i) where the Notes are Commodity Linked Notes relating to a single Commodity, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption (up to the Valuation Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of Valuation Date below;
  - (ii) where the Notes are Commodity Linked Notes relating to a basket of Commodities, the Averaging Date for the Commodity not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Commodity affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Exchange Rate. If the first succeeding Valid Date in relation to such Exchange Rate has not occurred for consecutive Scheduled Trading days equal in number to the Specified Maximum Days of Disruption (up to the Valuation Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Exchange Rate, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of Valuation Date below; and
  - (iii) for the purposes of these Conditions **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

**Commodity** means, subject to adjustment in accordance with these Commodity Linked Conditions, the commodity (or commodities) or futures contract on a commodity (or commodities) specified in the applicable Final Terms and related expressions shall be construed accordingly and for the avoidance of doubt, each of climatic variables, freight rates and emissions allowances may be a Commodity for the purposes of these Commodity Linked Conditions and the applicable Final Terms.

**Commodity Business Day** means:

- (a) where the Commodity Reference Price is announced or published by an Exchange, any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on

which that Exchange is open for trading during its regular trading sessions and notwithstanding any such Exchange closing prior to its scheduled closing time;

- (b) in any other case, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published), a price.

**Commodity Fallback Value** means the arithmetic mean of the quotations provided to the Calculation Agent by each of the Reference Dealers as its Commodity Reference Price for the relevant Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date of the relevant Commodity, provided that if only three such quotations are so provided, the Commodity Fallback Value shall be the Commodity Reference Price remaining after disregarding the Commodity Reference Prices having the highest and lowest values (or if more than one such highest or lowest, one only of them). If fewer than three such quotations are so provided, such value shall be determined by the Calculation Agent in its sole discretion acting in good faith.

**Commodity Index** means each index specified as such in the applicable Final Terms or an index comprising one or more Commodities or Commodity Futures contracts (each a **Component**).

**Commodity Reference Price** means, in respect of any Commodity or Commodity Index the price specified in the applicable Final Terms.

**Component Futures** means, at any time, the futures contracts used by the Price Source at such time to calculate the Commodity Reference Price (each a **Component Future**).

**Disappearance of Commodity Reference Price** means (a) the permanent discontinuation of trading, in the relevant Commodity or in the case of a Commodity Index, Component on the relevant Exchange or (b) the disappearance of, or of trading in, the relevant Commodity or Component or (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Commodity or Component.

**Exchange** means, in relation to a Commodity, the exchange or principal trading market for such Commodity specified in the applicable Final Terms.

**Index Component Disruption Event** means:

- (a) the Commodity Reference Price published by the Price Source on any Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date includes, or is derived from, a price for one or more Component Futures published on any date between the Issue Date and such Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date that is not a price published by the usual exchange or price source, but is a price determined by the Price Source; or
- (b) the Commodity Reference Price published by the Price Source on any Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date includes, or is derived from, a price for one or more Component Futures published by the usual exchange or price source on any date between the Issue Date and such Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date that, in the opinion of the Calculation Agent, has been calculated or published subject to the occurrence of market disruption or similar, or otherwise not in accordance with the usual, then-current, method used by such exchange or price source.

**Material Change in Content** means the occurrence since the Issue Date of a material change in the content, composition or constitution of the relevant Commodity or, in the case of a Commodity Index, Component.

**Material Change in Formula** means the occurrence since the Issue Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Commodity Business Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date".

**Observation Period** means the period specified as the Observation Period in the applicable Final Terms.

**Price Source** means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Relevant Price (or prices from which the Relevant Price is calculated) specified in the relevant Commodity Reference Price.

**Price Source Disruption** means (a) the failure of the Price Source to announce or publish the Relevant Price (or the information necessary for determining the Relevant Price) for the relevant Commodity Reference Price, or (b) the temporary or permanent discontinuance or unavailability of the Price Source.

**Reference Dealers** means four leading dealers in the relevant Commodities market selected by the Calculation Agent.

**Relevant Price** means, in respect of any Commodity or Commodity Index, the Commodity Reference Price in respect of such Commodity or Commodity Index, as the case may be, on the Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date.

**Scheduled Closing Time** means the Relevant Time specified in the applicable Final Terms on a given Commodity Business Day.

**Specified Maximum Days of Disruption** means two Commodity Business Days or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms.

**Substitute Commodity Price** means in respect of any Commodity or Commodity Index the price which constitutes a benchmark or price selected by the Calculation Agent, acting in good faith and a commercially reasonable manner, and which in its determination is or will be used by market participants as a substitute for the Commodity Reference Price.

**Tax Disruption** means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant Commodity or, in the case of a Commodity Index, Component (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be an Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date from what it would have been without that imposition, change or removal.

**Trading Disruption** means the material suspension of, or the material limitation imposed on, trading in the relevant Commodity or, in the case of a Commodity Index, Component on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

- (a) a suspension of the trading in the Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if:
  - (i) all trading in the Commodity or Component, as the case may be, is suspended for the entire Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date; or
  - (ii) all trading in the Commodity is suspended subsequent to the opening of trading on the Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date, trading does not recommence prior to the regularly scheduled close of trading in such Commodity or Component, as the case may be, on such Observation Date, Averaging Date, Knock-in Determination Date or Knock-out Determination Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the relevant Commodity or Component, as the case may be, on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Commodity may fluctuate and the closing or settlement price of the relevant Commodity on such day is at the upper or lower limit of that range.

**Valuation Date** means the Coupon Valuation Date and/or the Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Commodity Business Day, the immediately succeeding Commodity Business Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes are Commodity Linked Notes relating to a single Commodity, the Valuation Date shall be the first succeeding Commodity Business Day that is not a Disrupted Day, unless each of the consecutive Commodity Business Days equal in number to the Specified Maximum Days of Disruption immediately following the Commodity Business Day is a Disrupted Day. In that case, (i) the last such consecutive Commodity Business Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Commodity Reference Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Commodity Reference Price in accordance with its good faith estimate of Commodity Reference Price as of the Valuation Time on the last such consecutive Commodity Business Day); or
- (b) where the Notes are Commodity Linked Notes relating to a basket of Commodities, the Valuation Date for each Commodity, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Commodity, affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Commodity Business Day that is not a Disrupted Day relating to the Affected Item unless each of the consecutive Commodity Business Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Commodity Business Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Commodity Reference Price using, in relation to the

Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Commodity Business Day),

and otherwise in accordance with the above provisions.

**Valuation Time** means the Relevant Time specified in the applicable Final Terms on the relevant Valuation Date which, unless otherwise specified in the applicable Final Terms, shall be the time at which the Price Source published the relevant Commodity Reference Price from which the Commodity Reference Price is calculated.

## **25. ADDITIONAL PROVISIONS APPLICABLE TO FUND LINKED NOTES**

This Condition 25 applies to Fund Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine amounts payable under Fund Linked Notes. The applicable Final Terms contains provisions applicable to the determination of the occurrence of a Credit Event as well as other relevant provisions and must be read in conjunction with this Condition 25 and the relevant formula and with the Technical Annex for full information on any Fund Linked Notes.

Capitalised terms used herein and not otherwise defined in this Condition 25 shall have the meaning set out in the 2006 ISDA Fund Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. (the **2006 Fund Derivatives Definitions**) save that any references to the "Confirmation" shall be deemed to refer instead to the "applicable Final Terms", references to the "Fund Derivative Transaction" shall be deemed to refer instead to the Notes, references to the "Buyer" shall be deemed to refer instead to the Issuer, and references to the "Seller" shall be deemed to refer instead to the Noteholder(s). The 2006 Fund Derivatives Definitions are hereby incorporated by reference herein, and shall apply *mutatis mutandis* to the Notes.

In the event of any inconsistency between the Conditions and the applicable Final Terms on the one hand and the 2006 Fund Derivatives Definitions on the other, the Conditions and the applicable Final Terms shall prevail.

### **25.1 Market Disruption in respect of Notes linked to one or more ETFs**

If the Fund is an ETF, **Market Disruption Event** means, in relation to Notes relating to a single Fund Share or a Fund Basket, in respect of a Fund Share the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

### **25.2 Knock-in Event and Knock-out Event in respect of ETFs:**

(a) If the Fund is an ETF and:

(i) If "Knock-in Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any payment and/or delivery, as applicable under the



relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.

(ii) If "Knock-out Event" is specified as applicable in the applicable Final Terms, then, unless otherwise specified in such Final Terms, any and/or payment delivery, as applicable under the relevant Notes which is expressed in the applicable Final Terms to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.

(iii) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day at any time during the one hour period that begins or ends at the Valuation Time the price of the Fund Share triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Fund Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.

(iv) If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins or ends at the time on which the price of the Fund Share triggers the Knock-in Price or the Knock-out Price, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, then, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the price of the Fund Share as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of Valuation Date.

(b) Definitions relating to Knock-in Event/Knock-out Event

Unless otherwise specified in the applicable Final Terms:

**Knock-in Determination Day** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period.

**Knock-in Determination Period** means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date.

**Knock-in Event** means:

- (i) (in the case of a single Fund Share) that the price of the Fund Share determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day is; or
- (ii) (in the case of a Fund Basket) that the amount determined by the Calculation Agent equal to the sum of the values of each Fund Share as the product of (x) the price of such Fund Share as determined by the Calculation Agent as of the Knock-in Valuation Time on any Knock-in Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-in Price as specified in the applicable Final Terms.

**Knock-in Price** means, (i) in case of a single ETF, the price per Fund Share or (ii) in the case of a Fund Basket comprised of Fund Shares in one or more ETFs, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Condition 25.1.

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

**Knock-out Determination Day** means the date(s) specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period.

**Knock-out Determination Period** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Event** means:

- (i) (in the case of a single Fund Share) that the price of the Fund Share determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day is; or
- (ii) (in the case of a Fund Basket) that the amount determined by the Calculation Agent equal to the sum of the values of each Fund Share as the product of (x) the price of such Fund Share as determined by the Calculation Agent as of the Knock-out Valuation Time on any Knock-out Determination Day and (y) the relevant Weighting is,

(A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Knock-out Price as specified in the applicable Final Terms.

**Knock-out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Scheduled Trading Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Price** means, (i) in the case of a single Fund Share, the price per Fund Share or (ii) in the case of a Fund Basket, the price, in each case specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in Condition 25.1.

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or, in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Scheduled Closing Time or any other time specified in the applicable Final Terms.

### 25.3 Automatic Early Redemption

- (a) If the Fund is an ETF and "Automatic Early Redemption Event" is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will, subject as provided in Condition 25.6 (*Redemption/Termination Date Extension*), be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.
- (b) Definitions relating to Automatic Early Redemption

Unless otherwise specified in the applicable Final Terms:

**Automatic Early Redemption Amount** means (i) an amount in the Settlement Currency specified in the applicable Final Terms or if such amount is not specified, (ii) the product of (A) the denomination of each Note and (B) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

**Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the immediately succeeding Business Day, provided that no additional amount shall be payable to Noteholders as a result of such delay.

**Automatic Early Redemption Event** means that (i) in the case of a single Fund Share, the ETF Price or (ii) in the case of a Fund Basket, the Basket Price is, (A) "greater than", (B) "greater than or equal to", (C) "less than" or (D) "less than or equal to" the Automatic Early Redemption Price as specified in the applicable Final Terms.

**Automatic Early Redemption Price** means the price per Fund Share specified as such or otherwise determined in the applicable Final Terms.

**Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

**Automatic Early Redemption Valuation Date** means each date as specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the corresponding provisions in the definition of Valuation Date shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Redemption Valuation Date".

**Basket Price** means, in respect of any Automatic Early Redemption Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Fund Share as the

product of (i) the ETF Price in respect of such Fund Share on such Automatic Early Redemption Valuation Date and (ii) the relevant Weighting.

**ETF Price** means, in respect of any Automatic Early Redemption Valuation Date, the price per Fund Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on such Automatic Early Redemption Valuation Date.

#### **25.4 Extraordinary Fund Events**

**Extraordinary Fund Event** means, in the determination of the Calculation Agent, the occurrence at any time on or after the Issue Date of any of the following events and any applicable Additional Extraordinary Fund Event:

- (a) the Fund or any Fund Service Provider (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iii)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (iv) 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; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (v) above;
- (b) the commencement of any investigative, judicial, administrative or other civil or criminal proceedings against the Fund, any Fund Service Provider or any key personnel of such entities, if such proceedings could (in the opinion of the Calculation Agent) have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in respect of the Notes;
- (c) the Fund Service Provider or other agent or entity fulfilling such role, howsoever described in the Fund Documents as at the Issue Date, ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent;
- (d) (i) any of the investment objectives, investment restrictions or investment process (howsoever described) of the Fund are modified from that set out in the Fund Documents except where such change is of a formal, minor or technical nature or (ii) a material modification of the type of assets in which the Fund invests (including but not limited to a

material deviation from the investment objectives, investment restrictions or investment process (howsoever described) set out in the Fund Documents);

- (e) a material modification of the Fund (including but not limited to a modification of the Fund Documents) or a material modification of the method of calculating the NAV per Fund Share, or any change in the periodicity of the calculation or the publication of the NAV per Fund Share or the occurrence of any event which in the determination of the Calculation Agent has or may have an adverse impact on the Fund or investors in the Fund (including, without limitation, the suspension of the NAV per Fund Share), in each case other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relate (either alone or in common with other Fund Shares issued by the Fund);
- (f) any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio of the Fund;
- (g) (i) the occurrence of any event affecting a Fund Share that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the relevant Fund Share; (ii) any failure of the Fund, or its authorised representative, to deliver, or cause to be delivered, (1) information that the Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or Hedge Provider, or (2) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the relevant Fund Share;
- (h) any of the Fund, the Fund Service Providers, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of technical nature and outside the control of the entity responsible for such publication;
- (i) (i) any relevant activities of or in relation to the Fund or the Fund Service Providers are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, (ii) a relevant authorisation or licence is revoked or is under review by a competent authority in respect of the Fund Service Providers, (iii) the Fund is required by a competent authority to redeem any Fund Shares and/or (iv) the Issuer and/or the Hedge Provider is required by a competent authority, the Fund or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the Notes;
- (j) (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit), if such non-execution or partial execution could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, (ii) the Fund otherwise suspends or refuses transfers of any of its Fund Shares as described in the Fund Documents, (iii) if applicable, the Fund ceases to be an undertaking for collective investments under the relevant jurisdiction's legislation, (iv) the

Fund otherwise suspends or refuses redemptions of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares) as described in the Fund Documents, (v) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Issuer or the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, as described in the Fund Documents, if in any case it could in the sole determination of the Hedge Provider have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Notes, (vi) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason or (vii) the Issuer, the Hedge Provider, or any affiliate thereof, is required by the Fund or Fund Service Provider to redeem any Fund Shares for any reason;

- (k) the aggregate net asset value of the Fund falls below the level of the NAV Barrier;
- (l) a NAV Trigger Event occurs;
- (m) any proposal to wind up the Fund or the Fund ceases to exist or there exists any litigation against the Fund or a Fund Service Provider which in the determination of the Calculation Agent could materially affect the value of the Fund Shares;
- (n) the currency denomination of the Fund Share is amended from that set out in the Fund Documents so that the net asset value per Fund Share is no longer calculated in the same currency as at the Trade Date;
- (o) one or more of the key individuals involved with, or having supervision over, the Fund ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;
- (p) following the issue by a Fund of a new class or series (howsoever described in the Fund Documents) of shares, the Calculation Agent, determines that such new class or series of shares has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Notes;
- (q) where the Notes are linked to a Fund Basket, a Basket Trigger Event;
- (r) there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Notes, (a **Tax Event**) and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no means of mitigating the Tax Event;
- (s) in connection with any hedging activities in relation to the Notes, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Issue Date, or issuance of any directive or promulgation of, or any change in the

interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a **Relevant Event**) (i) it would become unlawful or impractical for the Issuer or the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider or the Issuer to adversely modify any reserve, special deposit, or similar requirement or that would adversely affect the amount of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Issuer to any loss), purchase or sell any Fund Shares of the Fund or for the Issuer or the Hedge Provider to maintain such hedging arrangements, (ii) the cost to the Issuer or the Hedge Provider of such hedging activities would be materially increased for any reason or (iii) the Issuer and/or the Hedge Provider would be subject to a material loss and, subject as provided below, the Issuer or the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Issuer or the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no means of mitigating the Relevant Event;

- (t) in connection with the hedging activities in relation to the Notes, if the cost to the Issuer or the Hedge Provider in relation to the Notes would be materially increased or the Issuer and/or the Hedge Provider would be subject to a material loss; or
- (u) in the case of a Fund which is an ETF, the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant Fund Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

## 25.5 Consequences of an Extraordinary Fund Event

Following the occurrence of an Extraordinary Fund Event including any Additional Extraordinary Fund Event specified in the applicable Final Terms, the Calculation Agent shall, unless otherwise specified in the applicable Final Terms either (i) effect a Substitution (as defined below) if a Substitution Event has occurred or (ii) subject as provided in Condition 25.6 (*Redemption/Termination Date Extension*) below, if it is impossible or impracticable to effect a Substitution or a Termination Event has occurred, redeem the Notes by payment of the Termination Amount on the Termination Date.

- (a) Substitution

A **Substitution Event** shall be deemed to have occurred if any of the Extraordinary Fund Events set out in sub-paragraphs (a) to (p) of Condition 25.4 (*Extraordinary Fund Events*) or any Additional Extraordinary Fund Event specified in the applicable Final Terms as being a Substitution Event occurs. Following the occurrence of a Substitution Event in respect of any Fund Share, the Calculation Agent shall:

- (i) determine the weighted average price at which an investor can redeem the Fund Shares in the relevant Fund in such number as determined by the Calculation Agent

in its sole and absolute discretion as soon as it is reasonably practicable after the Substitution Event;

- (ii) for a period of not longer than 14 calendar days after the date of the Substitution Event, use reasonable efforts to substitute the relevant Fund Shares with shares, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent, has similar characteristics to the relevant Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, use reasonable efforts to substitute the relevant Fund with an index (or a fund tracking an index) selected by the Calculation Agent in its sole and absolute discretion; and
- (iv) following any substitution in accordance with sub-paragraph (ii) above or (iii) above (a **Substitution**), in its sole and absolute discretion amend such of the terms of the Terms and Conditions and/or the applicable Final Terms as it determines to be appropriate to take account of such Substitution.

(b) Termination

A **Termination Event** shall be deemed to have occurred in respect to any Fund or Fund Share if any of the Extraordinary Fund Events set out in sub-paragraphs (q) to (u) of Condition 25.4 (*Extraordinary Fund Events*) or any Additional Extraordinary Fund Event specified in the applicable Final Terms is specified as being a Termination Event occurs. Upon the occurrence of a Termination Event the Issuer shall redeem all but not some only of the Notes on the Termination Date by payment to each Noteholder of the Termination Amount.

Upon determining the occurrence of an Extraordinary Fund Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, giving details of the Extraordinary Fund Event and the action to be taken in respect thereof.

## 25.6 Redemption/Termination Date Extension

In the case of Cash Settled Notes, if on the Scheduled Redemption Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Shares in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Shares (the **Redemption Proceeds**), the Calculation Agent may notify the Noteholders in accordance with Condition 6 (*Redemption and Purchase*) that the Redemption Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, has been postponed. As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to Noteholders in accordance with Condition 6 (*Redemption and Purchase*) (such notice the **Delayed Payment Notice**) and redeem the Notes on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the **Postponed Redemption Date**) by payment to each Holder of the Redemption Amount, the Automatic Early Redemption Amount or the Termination Amount, as the case may be, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on the date (the **Delayed Payment Cut-off Date**) specified in the applicable Final Terms or, if not so specified, the date falling two calendar years following the Scheduled Redemption Date, the Automatic Early



Redemption Date or the Termination Date, as the case may be, the Postponed Redemption Date shall be the Delayed Payment Cut-off Date.

In the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided in Condition 4 (*Interest*) accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Redemption Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, (or, if none, the Interest Commencement Date) to (but excluding) the Scheduled Redemption Date, the Automatic Early Redemption Date or the Termination Date, as the case may be, but shall only be obliged to make such payment of interest on the Postponed Redemption 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.

## 25.7 Additional Definitions

**Additional Extraordinary Fund Event** means any event specified as such in applicable the Final Terms.

**Averaging Date** means, in the case of an ETF, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **Omission** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **Postponement** is specified as applying in the applicable Final Terms, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **Modified Postponement** is specified as applying in the applicable Final Terms then:
  - (i) where the Notes are Fund Linked Notes relating to a single Fund, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of Valuation Date below;
  - (ii) where the Notes are Fund Linked Notes relating to a Fund Basket, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for each Fund Share affected by the occurrence of a Disrupted Day

shall be the first succeeding Valid Date (as defined below) in relation to such Fund Share. If the first succeeding Valid Date in relation to such Fund Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that such Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Fund Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of Valuation Date below; and

- (iii) for the purposes of these Terms and Conditions **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

**Basket Trigger Event** means that a Substitution Event occurs in respect of one or more Funds comprising the Fund Basket which has or, in the event that a Substitution Event has occurred in respect of more than one Fund, together have, a Weighting in the Fund Basket equal to or greater than the Basket Trigger Level.

**Basket Trigger Level** means the level specified as such in the applicable Final Terms or if none is so specified, 50 per cent.

**Calculation Date** means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is a Fund Business Day.

**Cash Facility** means:

- (a) if Overnight USD LIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the over-night USD deposit rate appearing on Reuters page LIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying LIBOR for over-night deposits in USD) as of 11:00 a.m., London time, on the day that is two London Business Days prior to such day plus (if the Cash Facility is negative) or minus (if the Cash Facility is positive) the Spread accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (b) if Overnight EURIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the European over-night index average rate for deposits in EUR appearing on Reuters page EONIA= (or such other source as the Calculation Agent deems appropriate for displaying EURIBOR for over-night deposit in EUR) as of 7:00 p.m., Central European time, on that day plus (if the Cash Facility is negative) or minus (if the Cash Facility is positive) the Spread accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (c) if 3 month USD LIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the 3 Months USD deposit rate appearing on Reuters page LIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying LIBOR for 3 Months deposits in USD) as of 11:00 a.m., London time, on the day that is two London Business Days prior to such day plus (if the Cash Facility is negative) or minus (if the Cash Facility is positive) the

Spread accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or

- (d) if 3 month EURIBOR Facility is specified in the applicable Final Terms, a notional account with a cash balance which may be positive, negative or zero bearing interest at the 3 Months EUR deposit rate appearing on Reuters page EURIBOR01 (or such other source as the Calculation Agent deems appropriate for displaying the EURIBOR for 3 Months deposits in EUR) as of 11:00 a.m., Central European time, on the day that is two TARGET Settlement Days prior to such day plus (if the Cash Facility is negative) or minus (if the Cash Facility is positive) the Spread accrued on an Actual/360 day count basis from and including each Business Day to but excluding the immediately following Business Day; or
- (e) such other notional account as may be specified in the applicable Final Terms.

**Delta-1 Termination Amount** means an amount determined in accordance with the provisions specified in the applicable Final Terms.

**Disrupted Day** means, in the case of an ETF, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

**Early Closure** means, in the case of an ETF, the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

**ETF** means any Fund specified as to be an Exchange Traded Fund in the applicable Final Terms, or if not so specified, any Fund which the Calculation Agent determines to be an Exchange Traded Fund.

**Exchange** means, in the case of an ETF and in relation to a Fund Share, each exchange or quotation system specified as such for such Fund Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Fund Share on such temporary substitute exchange or quotation system as on the original Exchange).

**Exchange Business Day** means in the case of an ETF, either (i) in the case of a single Fund Share, Exchange Business Day (Single Fund Share Basis) or (ii) in the case of a Fund Basket, Exchange Business Day (All Fund Shares Basis) or Exchange Business Day (Per Fund Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Fund Share Basis) shall apply.

**Exchange Business Day (All Fund Shares Basis)** means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to its (their) Scheduled Closing Time.

**Exchange Business Day (Per Fund Share Basis)** means, in respect of a Fund Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Fund Share are open for trading during their respective regular trading session(s),

notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time.

**Exchange Business Day (Single Fund Share Basis)** means, in respect of a Fund Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its (their) Scheduled Closing Time.

**Exchange Disruption** means, in the case of an ETF, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Fund Share on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Fund Share on any relevant Related Exchange.

**Final Calculation Date** means the date specified as such in the applicable Final Terms.

**Fund** means the Fund(s), or sub-Fund(s) or ETF(s) specified in the applicable Final Terms.

**Fund Basket** means a Basket comprising the Fund Shares (including, if applicable, Fund Shares in one or more ETFs) specified in the applicable Final Terms.

**Fund Business Day** has the meaning specified in the applicable Final Terms, or, if not so specified, (i) in respect of a Fund other than an ETF, a day which is (or but for the imposition of any suspension period or similar limitation, would have been) a day on which subscription and redemption orders in respect of the relevant Fund Shares are accepted by the Fund; (ii) in respect of an ETF, each Scheduled Trading Day; (iii) in respect of a Fund Basket not comprised of Fund Shares of ETFs, either Fund Business Day (All Fund Shares Basis) or Fund Business Day (Per Fund Share Basis) as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Fund Business Day (Per Fund Share Basis) shall apply; and (iv) in respect of a Fund Basket comprised of ETFs, a day which is a Scheduled Trading Day in respect of each Fund Share comprising the Fund Basket.

**Fund Business Day (All Fund Shares Basis)** means a day on which subscription and redemption orders in respect of each of the Fund Shares comprising the Fund Basket are accepted by the relevant Fund.

**Fund Business Day (Per Fund Share Basis)** means, in respect of a Fund Share, a day on which subscription and redemption orders in respect of such Fund Share are accepted by the Fund.

**Fund Documents** means, with respect to any Fund Share, the constitutive and governing documents, subscription agreements and other agreements of the Fund specifying the terms and conditions relating to such Fund Shares as amended from time to time and either annexed to, or available as specified in, the applicable Final Terms.

**Fund Reporting Date** means, in respect of the Fund Shares and a Calculation Date, the date on which the NAV per Fund Share is reported or published in respect of such Calculation Date.

**Fund Service Provider** means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, for such Fund, whether or not specified in the Fund Documents, including any investment advisor or manager, fund adviser, fund administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the applicable Final Terms.

**Fund Share(s)** means an ownership interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest specified as such in the applicable Final Terms.

**Hedge Provider** means the party (being, *inter alia*, the Issuer, the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Notes or where no such party actually hedges such obligations, a hypothetical investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Shares as it (or in the case of a hypothetical investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Notes.

**Implied Embedded Option Value** means an amount which may never be less than zero equal to the present value as at the Implied Embedded Option Value Determination Date of any future payments under the Notes determined by the Calculation Agent in its sole and absolute discretion taking into account, without limitation, such factors as interest rates, the net proceeds achievable from the sale of any Fund Shares by the Hedge Provider, the volatility of the Fund Shares and transaction costs.

**Implied Embedded Option Value Determination Date** means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary Fund Event.

**Initial Calculation Date** means the date specified as such in the applicable Final Terms.

**NAV Barrier** means the level of NAV specified as such in the applicable Final Terms.

**NAV per Fund Share** means, with respect to the relevant Fund Shares and the Fund Reporting Date relating to such Fund Shares, (i) the net asset value per Fund Share of such Fund Shares as of the relevant Calculation Date, as reported on such Fund Reporting Date by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service, or (ii), if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share relating to such number of Fund Shares as of the relevant Calculation Date as calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the relevant number of Fund Shares.

**NAV Trigger Event** means, in respect of the Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period; or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets.

**NAV Trigger Percentage** means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.

**NAV Trigger Period** means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date.

**Non-Principal Protected Termination Amount** means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount determined by the sum of:

- (a) the Implied Embedded Option Value; and

- (b) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Simple Interest.

**Number of NAV Publication Days** means the number of calendar days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the NAV per Fund Share after which the Fund Service Provider or any entity fulfilling such role, howsoever described in the Fund Documents, or any other party acting on behalf of the Fund, may remedy any failure to publish or report the NAV per Fund Share before the Calculation Agent may determine that an Extraordinary Fund Event has occurred.

**Portfolio** means the notional portfolio specified in the applicable Final Terms.

**Principal Protected Termination Amount** means, in respect of each nominal amount of Notes equal to the Calculation Amount, an amount determined by the sum of:

- (a) the Protected Amount;
- (b) the Implied Embedded Option Value; and
- (c) if Delayed Redemption on Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Simple Interest.

**Protected Amount** means the amount specified as such in the applicable Final Terms.

**Related Exchange** means, in the case of an ETF and in relation to a Fund Share, each exchange or quotation system specified as such for such Fund Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Fund Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Fund Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **Related Exchange** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Fund Share.

**Scheduled Trading Day** means either (i) in the case of a single ETF and in relation to a Fund Share, Scheduled Trading Day (Single Fund Share Basis) or (ii) in the case of a Fund Basket, Scheduled Trading Day (All Fund Shares Basis) or Scheduled Trading Day (Per Fund Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Fund Share Basis) shall apply.

**Scheduled Trading Day (All Fund Share Basis)** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

**Scheduled Trading Day (Per Fund Share Basis)** means, in respect of a Fund Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Fund Share are scheduled to be open for trading during their respective regular trading session(s).

**Scheduled Trading Day (Single Fund Share Basis)** means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s).

**Settlement Price** means, unless otherwise specified in the applicable Final Terms and subject as referred to in "Valuation Date" or "Averaging Date", as the case may be:

- (a) in the case of Fund Linked Notes relating to a Fund Basket comprised of Fund Shares in one or more ETFs and in respect of each Fund Share comprising the Fund Basket, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Fund Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Fund Share whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Fund Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (b) in the case of Fund Linked Notes relating to a single ETF, an amount equal to the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Fund Share on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Fund Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Fund Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

**Simple Interest** means an amount calculated by the Calculation Agent equal to the amount of interest that would accrue on the Implied Embedded Option Value during the period from (and

including) the Implied Embedded Option Value Determination Date to (and including) the Final Calculation Date calculated on the basis that such interest were payable by the Floating Rate Payer under an interest rate swap transaction incorporating the ISDA Definitions (as defined in Condition 4.2 (*Interest on variable interest Notes*) under which:

- (a) the "Effective Date" is the Implied Embedded Option Value Determination Date;
- (b) the "Termination Date" is the Termination Date;
- (c) the "Floating Rate Payer Payment Date" is the Termination Date;
- (d) the "Floating Rate Option" is EUR-EURIBOR-Reuters (if the Settlement Currency is EUR) or USD-LIBOR-BBA (if the Settlement Currency is USD);
- (e) the "Designated Maturity" is 3 months;
- (f) the "Simple Interest Spread" is the Spread as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- (g) the "Floating Rate Day Count Fraction" is Actual/360;
- (h) the "Reset Date" is the Implied Embedded Option Value Determination Date and each date falling three calendar months after the previous Reset Date; and
- (i) "Compounding" is "Inapplicable",

provided that if the final Compounding Period is less than 3 months "Linear Interpolation" applies.

**Spread** is as specified in the applicable Final Terms.

**Termination Amount** means an amount in the Specified Currency calculated as specified in the applicable Final Terms or if not so specified (i) the Delta-1 Termination Amount; (ii) the Principal Protected Termination Amount or (iii) the Non-Principal Protected Termination Amount as specified in the applicable Final Terms.

**Termination Date** means (i) the date specified in the applicable Final Terms, or (ii) if Delayed Redemption on the Occurrence of an Extraordinary Fund Event is specified as being applicable in the applicable Final Terms, the Redemption Date.

**Trading Disruption** means, in the case of an ETF and in relation to a Fund Share, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the Fund Share on the Exchange; or (ii) in futures or options contracts relating to the Fund Share on any relevant Related Exchange.

**Valuation Date** means, in the case of Fund Linked Notes relating to one or more ETF, the Coupon Valuation Date and/or Redemption Valuation Date, as the case may be, specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Fund Linked Notes relating to a single Fund Share of an ETF, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum



Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or

- (b) in the case of Fund Linked Notes relating to a basket of Fund Shares of one or more ETFs, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund Share affected (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, and, in the case of a Fund Share, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day and otherwise in accordance with the above provisions; and

**Valuation Time** in the case of an ETF and in relation to a Fund Share means either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms.

**Zero Coupon Bond** or **ZC** means a notional zero coupon bond with the following characteristics: (i) an issuer of similar creditworthiness and funding costs to the Issuer; (ii) an issue date scheduled to fall on the Initial Calculation Date; (iii) a maturity date scheduled to fall on the Final Calculation Date; (iv) a nominal amount of either USD1.00 or EUR 1.00 as determined by the Calculation Agent; and (v) a final redemption amount of either USD1.00 or EUR 1.00 as determined by the Calculation Agent.

**Zero Coupon Curve** means either (a) where the Specified Currency is EUR, a notional EUR reference curve calculated by the Calculation Agent in its sole and absolute discretion on the basis of such rates for deposits in EUR as it may determine to be appropriate at 11:00 a.m., Central European Time; or (b) where the Specified Currency is USD, a notional reference curve calculated by the Calculation Agent in its sole and absolute discretion on the basis of such rates for deposits in USD as it may determine to be appropriate at 11:00 a.m., London Time, in each case adjusted by the Calculation Agent, if applicable to take into account the rates then available for financial institutions with a credit rating for long term debt equal to that of the Issuer.

## 26. ADDITIONAL PROVISIONS APPLICABLE TO BOND LINKED NOTES

This Condition 26 applies to Bond Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine amounts payable under Bond Linked Notes. The applicable Final Terms must be read in conjunction with this Condition 26 and with the Technical Annex for full information on any Bond Linked Notes. The applicable Final Terms will specify whether the principal is guaranteed at maturity or not and identify the relevant Bond(s), the relevant Bond Event(s), the Scheduled Maturity Date, and the relevant formula, all as determined in accordance with this Condition 26 and the Technical Annex.

## 26.1 Bond Linked Notes Provisions

### (a) Settlement Method – Cash Settlement

- (i) If a Bond Event has occurred, as determined by the Calculation Agent, in the period from and including the First Bond Event Occurrence Date to and including the Last Bond Event Occurrence Date and a Bond Event Notice and, if specified as applicable in the applicable Final Terms, a Notice of Publicly Available Information, are delivered during the Notice Delivery Period by or on behalf of the Issuer to the Noteholders, then (i) the Issuer will no longer be liable for the payment of the Final Redemption Amount on the Scheduled Maturity Date or on the Maturity Date, as the case may be, and will, in full and final satisfaction of its obligations hereunder in respect of the redemption of each Note, pay or procure payment of the Cash Redemption Amount on the Cash Redemption Date (subject as specified in Condition 26.1(a)(ii) below) and (ii) the Interest Period(s) and/or the Interest Calculation Amount shall be as specified in Condition 26.1(b) below. The Bond Notional Amount of each Bond in respect of which a Bond Event Determination Date has occurred and the Bond Final Value of each Bond in respect of which a Bond Event Determination Date has occurred, the Cash Redemption Amount and the Cash Redemption Date shall be notified to the Noteholders in the Bond Final Valuation Notice on the Bond Final Valuation Notice Receipt Date.
- (ii) In the case of Basket Bond Linked Notes, if an Unsettled Bond Event has occurred, instead of the payment of the Cash Redemption Amount at the Cash Redemption Date, a Preliminary Cash Redemption Amount will be payable on the Scheduled Maturity Date and a Residual Cash Redemption Amount will be payable on the Maturity Date.

### (b) Provisions relating to Interest

#### *Payment of Bond Linked Interest upon occurrence of a Bond Event*

If payment of Interest under the Notes is conditional upon the occurrence or the non-occurrence of a Bond Event on a Bond(s) during the Reference Period, the applicable Final Terms will provide for the formula and/or conditions of such payment in accordance with the provisions of the Technical Annex.

Interest Period means each period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date; provided however that the first Interest Period begins on the Interest Commencement Date (inclusive) and the last Interest Period remains subject to the provisions of this Condition 26.1.

#### (i) Single Bond Linked Notes

The Interest Payment Dates, if any, will be the dates specified as such in the applicable Final Terms, subject to the provisions set out at paragraph (A) to (E) below:

- (A) If the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "Accrued Interest upon Bond Event":

The last Interest Period will be the period from (and including) the Interest Payment Date immediately preceding the Bond Event Determination Date (or from and including the Interest Commencement Date in the case of a Bond

Event Determination Date occurring before the first Interest Payment Date) to (but excluding) the Bond Event Determination Date, and the last Interest Payment Date will be the earlier of (i) the Interest Payment Date following the fourth Business Day falling after the Bond Event Determination Date and (ii) the Maturity Date. No interest shall accrue nor be payable from (and including) the Bond Event Determination Date to the Maturity Date.

In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

(B) If the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "No Accrued Interest upon Bond Event":

The last Interest Period will be the Interest Period (if any) ending on the earlier of (i) the Interest Payment Date immediately preceding the Bond Event Determination Date and (ii) the Scheduled Maturity Date. No interest shall accrue nor be payable from (and including) the Interest Payment Date preceding the Bond Event Determination Date (or the Interest Commencement Date in case of a Bond Event Determination Date occurring before the first Interest Payment Date) to the Maturity Date.

In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

(C) If (i) the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "Accrued Interest upon Bond Event" and (ii) there is only one Interest Period:

The Interest Period will be the period from (and including) the Interest Commencement Date to (but excluding) the Bond Event Determination Date, and the Interest Payment Date will be the Maturity Date. No interest shall accrue nor be payable from (and including) the Bond Event Determination Date to the Maturity Date.

In the event the Maturity Date falls after the Scheduled Maturity Date, no interest will be payable from (and including) the Scheduled Maturity Date to the Maturity Date.

(D) If (i) the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "No Accrued Interest upon Bond Event" and (ii) there is only one Interest Period:

If a Bond Event Determination Date has occurred, no interest shall accrue nor be payable in respect of the Notes.

(E) Only if the clause "Accrual of Interest upon Bond Event" is stated as being "Guaranteed Coupon":

The last Interest Period will end on, (but exclude) the Scheduled Maturity Date and the interest shall accrue in respect of each Interest Period on the Specified Denomination of each Note.

(ii) Basket Bond Linked Notes

(i) The Interest Payment Dates, if any, will be the dates specified as such in the applicable Final Terms, and (ii) the last (or if there is only one, the only) Interest Period will end on (but exclude) the earlier of the Maturity Date and the Scheduled Maturity Date and the Interest Calculation Amount will be as specified below, subject to the provisions set out at paragraphs (A) to (E) below

(A) If the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "Accrued Interest upon Bond Event":

In respect of each Interest Period, the Interest Calculation Amount will be calculated on the fourth Business Day preceding the relevant Interest Payment Date and be an amount equal to (i) the sum, for each day of such Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in such Interest Period.

(B) If the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "No Accrued Interest upon Bond Event":

In respect of each Interest Period, the Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Business Day preceding the relevant Interest Payment Date.

(C) If (i) the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "Accrued Interest upon Bond Event" and (ii) there is only one Interest Period:

The Interest Calculation Amount will be an amount, calculated on the fourth Business Day preceding the Interest Payment Date equal to (i) the sum, for each day of the Interest Period, of the Daily Interest Calculation Amount, divided by (ii) the number of days in the Interest Period.

(D) If (i) the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "No Accrued Interest upon Bond Event" and (ii) there is only one Interest Period:

The Interest Calculation Amount will be an amount equal to the Daily Interest Calculation Amount as of the fourth Business Day preceding the Interest Payment Date.

(E) Only if the clause "Accrual of Interest upon Bond Event" is stated as being "Guaranteed Coupon":

The last Interest Period will end on, (but exclude) the Scheduled Maturity Date. Interest in respect of each Interest Period will accrue on the basis of the Specified Denomination of each Note.

(iii) Common Provisions to Single Bond Linked Notes and Basket Bond Linked Notes

For the avoidance of doubt, should a Bond Event Determination Date occur within an Interest Period less than four Business Days prior to the relevant Interest Payment Date and the Issuer's payment instructions have already been

given in respect of interest payable with respect to such Interest Period, then the Issuer may deduct from the Cash Redemption Amount, the amount of overpaid interest.

(c) **Partial Redemption and further issues**

Following any partial redemption of the Notes (pursuant to Condition 6) or any further issue (pursuant to Condition 12), each of the following amounts will be multiplied by the ratio of (i) the number of Notes outstanding after such partial redemption or further issue divided by (ii) the number of Notes outstanding just before such partial redemption or further issue:

- (i) for Single Bond Linked Notes, the Aggregate Nominal Amount;
- (ii) for Basket Bond Linked Notes, (i) the Aggregate Nominal Amount, (ii) the Reference Portfolio Notional Amount and (iii) the Aggregate Loss Amount;

For the avoidance of doubt, any other amount calculation of which depends on the above amounts will be re-calculated accordingly.

(d) **Hedging Disruption - Increased Cost of Hedging - Change in Law - Merger of a Bond Issuer and the Issuer or any of its Affiliates – Consequences - Monetisation until the Maturity Date**

- (i) Hedging Disruption, Increased Cost of Hedging

**Hedging Disruption** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Bond price risk, or any other relevant price risk including, but not limited to, the interest rate, equity and currency risk of the Issuer issuing 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).

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Bond price risks (or any other relevant price risk including, without limitation, equity and credit price risk, foreign exchange risk, interest rate risk, and any other price risks) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

- (ii) Change in Law

**Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of any change in the interpretation by any court, tribunal or regulatory authority, the Issuer determines in its sole and absolute discretion that it is unable to

perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

(iii) Merger of a Bond Issuer and the Issuer or any of its Affiliates

**Merger of a Bond Issuer and the Issuer or any of its Affiliates** means, in respect of Single Bond Linked Notes or Basket Bond Linked Notes, that (i) the Issuer or any of its Affiliates consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, a Bond Issuer or (ii) a Bond Issuer consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to the Issuer or any of its Affiliates, or (iii) the Issuer or any of its Affiliates and a Bond Issuer become Affiliates.

(iv) Consequences

Upon the occurrence of an Exceptional Event Date, the Issuer may decide to either:

- (A) consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Fair Market Value as defined in Condition 6.7; or
- (B) if the relevant Exceptional Event is related to one or several affected Bonds (the **Affected Bond(s)**), replace the Affected Bond(s) by a new bond (or new bonds, as relevant) which is (respectively are each) a Similar Bond; or
- (C) apply the Monetisation until the Maturity Date;

Or, but only in the case of Increased Cost of Hedging:

- (D) deduct:
  - I. from the Interest Amount (if any) due under the Notes on the Interest Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new, or any increase of, any tax, duty, expense or fee, that triggered the occurrence of the Increased Cost of Hedging incurred by the Issuer or any of its Affiliates in relation to the Hedge Positions hedging the payment obligations of the Issuer under the Notes, such amount to be apportioned *pro rata* amongst the outstanding Notes (the **Reduction Amount**); PROVIDED THAT if on an Interest Payment Date on which a Reduction Amount shall be deducted from the Interest Amount, the Reduction Amount in respect of each Note is greater than the Interest Amount due under each Note (prior to the deduction of the Reduction Amount) on such Interest Payment Date, the Interest Amount will be reduced to zero and the difference between the Reduction Amount and the Interest Amount (prior to the deduction of the Reduction Amount) will be deducted from the Interest Amount due on one or more of the following Interest Payment Date(s) (if any), and if a Reduction Amount has not been deducted in whole or in part on the last Interest Payment Date under

the Notes, the remaining Reduction Amount will be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount, whichever comes first (the reduction of such deduction being floored at zero); or

- II. in the absence of any Interest Amount under the Notes, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any), due under the Notes on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Notes, from the Final Redemption Amount due on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

Following the occurrence of an Exceptional Event Date, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Noteholders pursuant to the provisions of Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the relevant adjustment made or decision taken by the Calculation Agent. Details of any adjustment made or decision taken may be obtained by the Noteholders upon request at the Calculation Agent's specified address.

- (v) Monetisation until the Maturity Date

The Issuer will no longer be liable for any payment, on the Maturity Date or any Interest Payment Date, but instead will, in full and final satisfaction of its obligations pay an amount as described in Conditions 26.1(d)(v)(A) and 26.1(d)(v)(B) below:

- (A) In respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero:

In accordance with the provisions of Condition 26.1(d)(v) above, the Issuer will pay on the Maturity Date an amount per Note, determined by the Calculation Agent, with a minimum of zero, based on (a) the net positive cash amount that the Issuer or any of its Affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting the obligations and liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b) each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by

the Issuer or any of its Affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Issuer or any of its Affiliates under its Hedge Positions and the Calculation Amount mentioned above may be as low as zero; or

- (B) In respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**):

In accordance with the provisions of Condition 26.1(d)(v) above, the Issuer will pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between:

- I. the net positive cash amount that the Issuer or any of its Affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting the obligations and liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b), each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded); and
- II. an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Issuer or any of its Affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Issuer or any of its Affiliates under its Hedge Positions and the Calculation Amount mentioned above may be as low as zero.

Definitions applicable to this Condition:

**Associated Costs** means an amount determined by the Issuer in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Issuer or any of its Affiliates in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned *pro rata* the outstanding Notes;

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period;

where:

**Adjusted Calculation Amount** means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any



succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

**Compounding Date** means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

**Compounding Period** means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

**Compounding Period Amount** means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; notwithstanding this, the Compounding Rates related to the last four Compounding Periods in the Calculation Period shall be that of the fifth Compounding Period before the Maturity Date; the specific Compounding Rate used in respect of a Specified Currency of the Notes shall be available at the office of the Calculation Agent for each Compounding Date;

**Day Count Fraction** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

**Exceptional Event** means, as determined by the Calculation Agent acting in good faith, the occurrence during the period from and including the Issue Date to and including the Last Exceptional Event Occurrence Date of one or more of Hedging Disruption, an Increased Cost of Hedging, a Change in Law, or a Merger of a Bond Issuer and the Issuer or any of its Affiliates;

**Exceptional Event Date** means in respect of an Exceptional Event, the date, from and including the Issue Date to and including the Last Exceptional Event Occurrence Date, on which the Calculation Agent determines in good faith that an Exceptional Event has occurred. An Exceptional Event Date may not occur after a Bond Event Determination Date;

**Full Liquidation Date** means the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the obligations and liabilities of such Hedge Positions, if any, or any part thereof, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its Affiliates;

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Issuer or any of its Affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the part of the Issuer or any of its Affiliate's obligations under the Notes;

**Last Exceptional Event Occurrence Date** means the fourth (4<sup>th</sup>) Business Day immediately preceding the Maturity Date; and

**Similar Bond** means a bond with an equivalent residual maturity, and (i) an equivalent Rating if available (as defined below) or (ii) an equivalent credit risk (if no Rating is available) and to the extent possible as secondary criteria, geographic and industry proximity.

For the **purposes** of this definition **Rating** means the senior unsecured debt rating assigned by the three rating agencies Moody's Investors Service Ltd, S&P Global Ratings Europe Limited and Fitch Ratings Limited or any of them, it being understood that if the ratings assigned in respect of an entity are not equivalent, only the highest one(s) will be taken into consideration.

## 26.2 Definitions

**Accrual of Interest upon Bond Event** means "No Accrued Interest upon Bond Event" or "Accrued Interest upon Bond Event" or "Guaranteed Coupon" as specified in the applicable Final Terms.

**Accrued Interest upon Bond Event** means, in respect of Bond Linked Notes, that the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "Accrued Interest upon Bond Event".

**Affiliate** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, control of any entity or person means ownership of a majority of the voting power of the entity or person concerned.

**Aggregate Loss Amount** means, in respect of Basket Bond Linked Notes, the aggregate of the Loss Amounts in respect of the Bond(s) in respect of which a Bond Event Determination Date has occurred.

**Auction Period** means the number of days as specified in the applicable Final Terms (each being a Quotation Day) immediately following and excluding the Third Quotation Day as determined by the Calculation Agent.

**Basket Bond Linked Note** means a Bond Linked Note indexed on several Bonds for which the applicable Final Terms specify that the clause "Type of Bond Linked Notes" is stated as being "Basket Bond Linked Notes".

**Bond** means each Bond specified as such in the applicable Final Terms.

**Bond Acceleration** means, in respect of a Bond, a Bond has become due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, early redemption or other similar condition or event (however described in the terms and conditions governing such Bond as of the First Bond Event Occurrence Date).

**Bond Change in Law Event** means as of the First Bond Event Occurrence Date (i) the adoption of any change in any applicable law or regulation (including without limitation, any law or regulation in respect of tax, solvency or capital requirements) or (ii) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or brought in a court of competent jurisdiction).

**Bond Currency** means the currency specified as such in the applicable Final Terms being the currency in which the Bond is denominated.

**Bond Default** means in respect of a Bond, a Bond has become capable of being declared due and payable before it 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 in the terms and conditions governing such Bond as of the First Bond Event

Occurrence Date), notwithstanding any grace period set forth in the terms and conditions governing such Bond.

**Bond Early Redemption** means in respect of a Bond (i) an early repayment at par of the Bond other than in accordance with its terms and conditions, (ii) an early redemption of the Bond for tax reasons in accordance with its terms and conditions or (iii) an early redemption of the Bond below par in accordance with its terms and conditions.

**Bond Event** means in respect of a Bond, as determined by the Calculation Agent and described in the Bond Event Notice, the occurrence during the period from and including the First Bond Event Occurrence Date to and including the Last Bond Event Occurrence Date of one or more of Bond Acceleration, Bond Default, Bond Early Redemption, Bond Failure to Pay, Bond Governmental Intervention, Bond Issuer ISDA Event or Bond Restructuring, including if such Bond Event is the result of a Bond Change in Law Event, as specified in the applicable Final Terms.

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

- (a) any lack or alleged lack of authority or capacity of a Bond Issuer to enter into any Bond;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Bond;
- (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.

A Bond Event need not be continuing on the Bond Event Determination Date.

**Bond Event Determination Date** means, in respect of a Bond Event, the day during the Notice Delivery Period on which a Bond Event Notice is delivered to the relevant Clearing System for the information of the Noteholders.

**Bond Event Notice** means an irrevocable notice (including Succession Event Information, if any) that is effective during the Notice Delivery Period delivered by or on behalf of the Issuer to the Noteholders that describes a Bond Event that occurred on or prior to the Last Bond Event Occurrence Date. A Bond Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Bond Event has occurred (subject to the description therein being limited by any confidentiality restrictions, applicable laws, rules or regulations binding on the Issuer and/or the Calculation Agent). The Bond Event that is the subject of a Bond Event Notice need not be continuing on the Bond Event Determination Date. If a Bond Event Notice contains Publicly Available Information, such Bond Event Notice will also be deemed to be a Notice of Publicly Available Information.

**Bond Failure to Pay** means, in respect of a Bond, the failure by a Bond Issuer to make, when and where due, any payment under a Bond, provided that such failure is not remedied on or before the third Business Day (included) immediately following the relevant scheduled payment date, notwithstanding any grace period set forth in the terms and conditions governing such Bond at the time of such failure.

**Bond Final Price** means, in respect of a Bond, a quotation (expressed as a percentage of the Bond Notional Amount) obtained from Quotation Dealers in the manner provided below. The Calculation Agent will determine, based on the then current market practice, whether such quotations will include or exclude accrued but unpaid interest and all quotations will be obtained in accordance with this determination. The Calculation Agent will determine from the Full Quotations, the Weighted Average Quotation, the Partial Weighted Average Quotation or the Residual Quotation Amount (each as defined below), the Bond Final Price. For the avoidance of doubt, the Bond Final Price, as determined by the Calculation Agent, is based on obtained Quotations, without any obligation by the Calculation Agent to actually realise any sale transaction in relation to such Quotations.

The Calculation Agent will require each Quotation Dealer to provide quotations to the extent reasonably practicable on the relevant day at approximately 11.00 a.m. London time or 11.00 a.m. New York time or 11.00 a.m. in any other leading market where the liquidity of such Bond may be better, as determined by the Calculation Agent, as the case may be. The Calculation Agent, may on the First Quotation Day and if applicable, on the Second Quotation Day, in its sole and absolute discretion but acting in a commercially reasonable manner, determine whether to request (i) at least one Full Quotation and/or (ii) several firm bid quotations from Quotation Dealers in order to establish a Weighted Average Quotation.

To such end:

- (a) if the Calculation Agent obtains at least one Full Quotation and/or one Weighted Average Quotation on the First Quotation Day, the Bond Final Price will be the highest Quotation of the Full Quotation(s) or Weighted Average Quotation(s) obtained (if any) by the Calculation Agent;
- (b) if the Calculation Agent is unable to obtain at least one Full Quotation or to determine a Weighted Average Quotation on the First Quotation Day, the Calculation Agent will attempt to obtain at least one Full Quotation and/or one Weighted Average Quotation on the Second Quotation Day, and the Bond Final Price will be the highest Quotation of the Full Quotation(s) or Weighted Average Quotation(s) obtained (if any) by the Calculation Agent;
- (c) if the Calculation Agent obtains quotations for an aggregate amount lower than the Quotation Amount on the Second Quotation Day, then on the Third Quotation Day it will attempt to obtain several firm bid quotations from Quotation Dealers in order to establish a Partial Weighted Average Quotation in respect of an amount equal to the Residual Quotation Amount. If the Calculation Agent is unable to establish on the Third Quotation Day a Partial Weighted Average Quotation in respect of an amount equal to the Residual Quotation Amount, it will, until obtaining a Partial Weighted Average Quotation in respect of an amount equal to the Residual Quotation Amount, on each Quotation Day during the Auction Period, attempt to obtain several firm bid quotations from Quotation Dealers in order to establish a Partial Weighted Average Quotation in respect of an amount equal to the Residual Quotation Amount. For the avoidance of doubt, once a Partial Weighted Average Quotation is obtained on either the Third Quotation Day or on any Quotation Day in the Auction Period there will be no obligation on the Calculation Agent to seek a further Partial Weighted Average Quotation. The Bond Final Price will then be the weighted average of (i) the firm bid quotations obtained on the Second Quotation Day (if any) and (ii) the Partial Weighted Average Quotation (if any) for the portion equal to the Residual Quotation Amount and (iii) zero for any remaining amount for which no quotation was obtained.

**Bond Final Price Accrued Interest** means, in respect of a Quotation:

- (a) If the applicable Final Terms specify that the clause "Bond Final Price Accrued Interest" is stated as being "Excluding Accrued Interest":

Taking into account whether Quotations obtained by the Calculation Agent include or exclude accrued but unpaid interest, the Bond Final Price will be determined by the Calculation Agent as being the equivalent price to the Bond Final Price otherwise calculated so that it is a 'clean' price, excluding accrued but unpaid interest.

- (b) If the applicable Final Terms specify that the clause "Bond Final Price Accrued Interest" is stated as being "Including Accrued Interest":

Taking into account whether Quotations obtained by the Calculation Agent include or exclude accrued but unpaid interest, the Bond Final Price will be determined by the Calculation Agent as being the equivalent price to the Bond Final Price otherwise calculated so that it is a "dirty" or "all in" price, including accrued but unpaid interest.

**Bond Final Valuation Notice** means the notice delivered on the Bond Final Valuation Notice Receipt Date, specifying:

- (a) The Bond Notional Amount of each Bond in respect of which a Bond Event Determination Date has occurred and the Bond Final Value of each Bond in respect of which a Bond Event Determination Date has occurred each as of the Bond Final Value Determination Date;
- (b) the Cash Redemption Amount; and
- (c) the Cash Redemption Date.

**Bond Final Valuation Notice Receipt Date** means the day (such day being expected to be no later than the 10<sup>th</sup> Business Day following the Bond Final Value Determination Date) on which the Calculation Agent delivers the Bond Final Valuation Notice on behalf of the Issuer to the relevant Clearing Systems, for the information of the Noteholders.

**Bond Final Value** means, in respect of a Bond in respect of which a Bond Event has occurred, either:

- (a) If the applicable Final Terms specify that the clause "Bond Final Value" is stated as being "Fixed Recovery":

The percentage specified as such in the applicable Final Terms; or

- (b) If the applicable Final Terms specify that the clause "Bond Final Value" is stated as being "Floating Recovery":

The percentage determined by the Calculation Agent as follows:

- (a) the Bond Final Price;
- (b) plus, if any, any partial or total repayment in cash of the Bond which would have been paid to the holders of the Bond under the Bond as of the Bond Final Value Determination Date as determined by the Calculation Agent, expressed as a percentage of the Bond Notional Amount;
- (c) plus, if any, the price (expressed as a percentage of the Bond Notional Amount), calculated using a method similar to that used to determine the Bond Final Price, of any

securities which would have been delivered to the holders of the Bond under the Bond as of the Bond Final Value Determination Date as determined by the Calculation Agent;

- (d) minus the Valuation Hedging Cost;
- (e) minus any amount due and payable under the Bond in accordance with the terms and conditions of the Bond as in force and effect as of the Issue Date (expressed as a percentage of the Bond Notional Amount) which is still unpaid at the Bond Final Value Determination Date, as determined by the Calculation Agent.

The Bond Final Value is subject to a minimum of zero per cent and to a maximum of 100 per cent unless otherwise specified in the applicable Final Terms.

**Bond Final Value Determination Date** means:

- (a) If the applicable Final Terms specify that the clause "Bond Final Value" is stated as being "Fixed Recovery":

The date on which the Bond Event Notice is delivered to the relevant Clearing System for the information of the Noteholders.

- (b) If the applicable Final Terms specify that the clause "Bond Final Value" is stated as being "Floating Recovery":

The date on which the Bond Final Price is calculated by the Calculation Agent.

**Bond Governmental Intervention** means, with respect to one or more Bonds and in relation to an aggregate amount of not less than the Default Requirement, that 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 Bond Issuer in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Bond:

- (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 under the Bond, causing the Subordination of such obligation to any other obligation of the Bond Issuer;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Bond;
- (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) of this definition.

**Bond Issuer ISDA Event** means that there is a public announcement by ISDA of the occurrence of a Credit Event (as defined in Condition 26.3) in relation to the Bond Issuer.

**Bond Issuer** means, in respect of Single Bond Linked Notes, the Bond Issuer (or its Successor) or, in respect of Basket Bond Linked Notes, each Bond Issuer (or its Successor) comprised in the Reference Portfolio, specified as such in the applicable Final Terms.

**Bond Linked Note** means a Note in respect of which (i) the applicable Final Terms specify that the clause "Bond Linked Notes Provisions" is stated as being "Applicable" and (ii) these Additional Terms and Conditions for Bond Linked Notes apply.

**Bond Notional Amount** means (a) in respect of Single Bond Linked Notes, on the Issue Date the amount as specified in the applicable Final Terms and thereafter as such amount is adjusted *pro rata* the outstanding Aggregate Nominal Amount of the Notes or (b) in respect of Basket Bond Linked Notes, on the Issue Date, in respect of each Bond, the amount as specified in the applicable Final Terms (being in respect of each Bond the product of the Bond Weighting and the Reference Portfolio Notional Amount) and thereafter as such amount is adjusted *pro rata* the outstanding Aggregate Nominal Amount of the Notes.

**Bond Restructuring** means that:

- (a) with respect to each Bond, any one or more of the following events occurs in a form that binds any holders of such Bond, and such event is not expressly provided for under the terms of such Bond in effect as of the later of the First Bond Event Occurrence Date and the date as of which such Bond is issued or incurred:
- (i) any amount to be received by any holder of the Bond under the Bond would be reduced or paid in or exchanged into another form due to any Bond Change in Law Event ;
  - (ii) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals initially provided for;
  - (iii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates initially provided for;
  - (iv) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - (v) a change in the ranking in priority of payment of any obligation under the Bond, causing the Subordination of such obligation to any other obligation of the Bond Issuer; or
  - (vi) any change in the currency or composition of any payment of interest or principal to any other currency.
- (b) Notwithstanding the provisions of (a) above, the following will not constitute a Bond Restructuring: the payment in euro of interest or principal in relation to a Bond 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.

**Bond Weighting** means the proportion specified as such for each Bond in the applicable Final Terms.

**Breakage Cost Amount** means an amount determined by the Calculation Agent, expressed in the Specified Currency of the Notes using the Relevant Spot Exchange Rate on the relevant calculation date(s), as determined by the Calculation Agent, equal to the fees, costs and expenses arising directly or indirectly, in connection with (i) terminating, unwinding, realizing or enforcing any repurchase transaction (if any) with the Bond as underlying asset, the purpose of which is to refinance the relevant Bond and (ii) entering into, trading or increasing any repurchase transaction (or any transaction with similar purposes) with the Collateral Assets as underlying asset, the purpose of which is to refinance the Collateral Assets. For the avoidance of doubt, the Breakage Cost Amount may be a positive amount (if to be received by the Issuer or any of its Affiliates) or a negative amount (if to be paid by the Issuer or any of its Affiliates).

**Business Days** means the days specified in the applicable Final Terms.

**Calculation Agent** means the Issuer. The calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer and the Noteholders in the absence of manifest error.

**Cash Redemption Amount** means the maximum of zero and:

- (a) In respect of Single Bond Linked Notes, an amount equal for each Note to the sum of (i) the product of the Bond Final Value and the Specified Denomination of each Note expressed in the Specified Currency of the Notes using the Relevant Spot Exchange Rate on the Bond Final Value Determination Date and (ii) the product of the Relevant Proportion and the Breakage Cost Amount of the Bond (in the case of (ii) which may be a negative amount) if this option is specified as Applicable in the applicable Final Terms or zero if this option is specified as Not Applicable in the applicable Final Terms; or
- (b) In respect of Basket Bond Linked Notes, an amount equal for each Note to the sum of (i) the product of the Relevant Proportion and the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount as at the Maturity Date and (ii) the product of the Relevant Proportion and the Breakage Cost Amount of the Bond if this option is specified as Applicable in the applicable Final Terms or zero if this option is specified as Not Applicable in the applicable Final Terms.

**Cash Redemption Date** means a date that is a Payment Business Day:

The later of (a) the Scheduled Maturity Date and (b) the day that is four Payment Business Days following the Bond Final Valuation Notice Receipt Date, or in the case of Basket Bond Linked Notes, following the last Bond Final Valuation Notice Receipt Date.

**Daily Interest Calculation Amount** means, in respect of any day during an Interest Period:

- (a) If the Notes are Basket Bond Linked Notes and if the applicable Final Terms specify that the clause "Interest Recovery Rate" is stated as being "Fixed Interest Recovery":

The sum of (a) the product of (i) the Interest Recovery Rate and (ii) the sum of the Bond Notional Amounts of all the Bonds in respect of which a Bond Event Determination Date has occurred on or prior to such day and (b) the sum of the Bond Notional Amounts of all the Bonds in respect of which no Bond Event Determination Date has occurred on or prior to such day.



- (b) If the Notes are Basket Bond Linked Notes and if the applicable Final Terms specify that the clause "Interest Recovery Rate" is stated as being "Floating Interest Recovery":

An amount equal to the Aggregate Nominal Amount minus the Aggregate Loss Amount, provided that any Loss Amount that has not been determined on or before such day, shall be deemed to be equal to the relevant Bond Notional Amount. The difference between the interest that would have been payable if the Loss Amount had been determined on such date and the interest actually paid shall be payable following the determination of such Loss Amount and paid either on the first Interest Payment Date after the fourth Business Day following the Bond Final Value Determination Date, or if, such determination occurs after the last Interest Payment Date, on the fourth Business Day following the Bond Final Value Determination Date.

**Default Requirement** means USD 10,000,000 or the amount specified in the applicable Final Terms (or, in each case, the equivalent in the Bond Currency, at the date of the occurrence of the relevant Bond Event).

**Excluding Accrued Interest** means that the Bond Final Price Accrued Interest will be calculated according to paragraph (a) of the definition of Bond Final Price Accrued Interest.

**Extension Date** means the fourth Business Day following the Last Bond Event Occurrence Date.

**First Bond Event Occurrence Date** means the date specified as such in the applicable Final Terms.

**First Quotation Day** means the first day the Calculation Agent attempts to obtain Full Quotations (such day falling no later than 20 Business Days or the number of Business Days specified in the applicable Final Terms after the Bond Event Determination Date).

**Fixed Recovery** means, in respect of Bond Linked Notes, that the applicable Final Terms specify that the clause "Bond Final Value" is stated as being "Fixed Recovery: [●] per cent."

**Floating Recovery** means, in respect of Bond Linked Notes, that the applicable Final Terms specify that the clause "Bond Final Value" is stated as being "Floating Recovery".

**Full Quotation** means each firm bid quotation obtained from a Quotation Dealer for an amount equal to the Quotation Amount.

**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 Bond Issuer 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.

**Guaranteed Coupon** means in respect of Bond Linked Notes that the Accrual of Interest upon Bond Event in the applicable Final Terms is specified as "Guaranteed Coupon".

**Including Accrued Interest** means that the Bond Final Price Accrued Interest will be calculated according to paragraph (b) of the definition of Bond Final Price Accrued Interest.

**Interest Calculation Amount** means in respect of Basket Bond Linked Notes, the amount for the purposes of calculating the interest payable under the Notes on any Interest Payment Date determined by the Calculation Agent in accordance with the provisions of these Additional Terms and Conditions for Bond Linked Notes.

For the avoidance of doubt, the interest amount payable under the Notes shall be equal to the Relevant Proportion of the product of (a) the Rate of Interest, (b) the Interest Calculation Amount and (c) the applicable Day Count Fraction.

**Interest Recovery Rate** means, in respect of Basket Bond Linked Notes, zero per cent. or the percentage specified in the applicable Final Terms.

**Last Bond Event Occurrence Date** means the fourth (4<sup>th</sup>) Business Day immediately preceding the Scheduled Maturity Date.

**Loss Amount** means in respect of Basket Bond Linked Notes, in respect of a Bond in respect of which a Bond Event Determination Date has occurred, an amount in the Specified Currency equal to the product of (i) the Bond Notional Amount and (ii) the difference between the Reference Price in respect of each Bond, and the Bond Final Value, subject to a minimum of zero.

**Maturity Date** means a day that is a Payment Business Day:

- (a) In respect of both Single Bond Linked Notes and Basket Bond Linked Notes, the later of the dates set out in paragraphs (i) and (ii) below
  - (i) the date specified as such in the applicable Final Terms (the **Scheduled Maturity Date**); or
  - (ii) the Cash Redemption Date if a Bond Event Notice is delivered during the Notice Delivery Period.
- (b) PROVIDED that, with respect to Basket Bond Linked Notes in relation to which an Unsettled Bond Event exists, a Preliminary Cash Redemption Amount will be paid on the Scheduled Maturity Date in relation to the portion of the Specified Denomination of Notes not affected by the Unsettled Bond Event and,
  - (i) if the Retained Amount is equal to zero, the Maturity Date will be the Scheduled Maturity Date; or
  - (ii) in all other cases, the Maturity Date will be the later of the dates set out in paragraphs (a)(i) and (a)(ii) above.

**No Accrued Interest upon Bond Event** means, in respect of Bond Linked Notes, that the applicable Final Terms specify that the clause "Accrual of Interest upon Bond Event" is stated as being "No Accrued Interest upon Bond Event".

**Notice Delivery Period** means the period from and including the Issue Date to and including the Extension Date.

**Notice of Publicly Available Information** means, in relation to a Bond Event Notice, an irrevocable notice delivered by or on behalf of the Issuer that cites Publicly Available

Information confirming the occurrence of the Bond Event, described in the Bond Event Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If a Bond Event Notice contains Publicly Available Information, such Bond Event Notice will also be deemed to be a Notice of Publicly Available Information.

**Partial Weighted Average Quotation** means, as determined by the Calculation Agent, in respect of the Third Quotation Day and, if relevant, the Auction Period, the weighted average of the firm bid quotation(s) requested by the Calculation Agent for the Residual Quotation Amount and obtained from the Quotation Dealers on the Third Quotation Day and, if relevant, during the Auction Period, to the extent reasonably practicable, each for an amount as large a size as available, that in aggregate are equal to or greater than the Residual Quotation Amount. PROVIDED THAT if the aggregate of such quotations is greater than the Residual Quotation Amount, the Calculation Agent shall reduce *pro rata* the notional amount of each firm bid quotation so that the aggregate of the firm bid quotations shall be equal to the Residual Quotation Amount.

**Preliminary Cash Redemption Amount** means, with respect to Basket Bond Linked Notes in relation to which an Unsettled Bond Event has occurred, an amount payable on the Scheduled Maturity Date calculated for each Note as an amount equal to the Relevant Proportion of the difference between (a) the Aggregate Nominal Amount minus the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date and (b) the Retained Amount.

**Publicly Available Information** means information that reasonably confirms any of the facts relevant to the determination that the Bond Event as applicable, described in the Bond Event Notice, has occurred and which:

- (a) has been published in or on not less than 2 (two) Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that if the Calculation Agent or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be a Publicly Available Information unless the Calculation Agent or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for a Bond; or
- (b) is information received from or published by:
  - (i) a Bond Issuer (or a Governmental Authority for a Bond Issuer which is a Sovereign); or
  - (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for a Bond, or
- (c) is information contained in any petition or filing instituting a proceeding against or by the Bond Issuer seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or presented for its winding-up or liquidation, where any such proceeding or petition instituted or presented against the Bond Issuer (a) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; or
- (d) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; or
- (e) is information contained in a public announcement by ISDA.

In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Bond with respect to which a Bond Event has occurred and (ii) a holder of such Bond, the Calculation Agent shall be required to deliver a certificate signed by a managing director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Bond Event with respect to such Bond.

In relation to any information of the type described in (b), (c) and (d) of the definition of Publicly Available Information, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Bond Issuer or any Affiliate of the Bond Issuer that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Publicly Available Information need not state that such occurrence (a) is the result of exceeding any applicable grace period, or (b) has met any subjective criteria specified in a Bond Event.

**Public Source** means each source of Publicly Available Information specified in the applicable Final Terms, or if no source is specified each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), as well as the main source(s) of business news in the country in which the Bond Issuer is organised and any other internationally recognised published or electronically displayed news sources).

**Quotations** means a Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation, as the case may be.

**Quotation Amount** means an amount equal to the Bond Notional Amount, in respect of Single Bond Linked Notes (for the avoidance of doubt, in accordance with the provisions of the Weighted Average Quotation, such Quotation Amount may be, at the sole discretion of the Calculation Agent acting in a commercially reasonable manner, greater than the Bond Notional Amount); otherwise (in respect of Basket Bond Linked Notes), the Quotation Amount shall be a weighted amount in respect of each Bond, the sum of all such Quotation Amounts being equal to the Bond Notional Amount (for the avoidance of doubt, in accordance with the provisions of the Weighted Average Quotation, such Quotation Amount may be, at the sole discretion of the Calculation Agent acting in a commercially reasonable manner, greater than the Bond Notional Amount).

**Quotation Dealers** means at least three leading dealers in bonds of the type of the Bond for which Quotations are to be obtained, which may include the Issuer, as selected by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

**Reference Portfolio** means, in respect of Basket Bond Linked Notes, a portfolio comprising all the Bonds.

**Reference Portfolio Notional Amount** means the amount of the Reference Portfolio specified in the applicable Final Terms.

**Reference Period** means the period from and including the Issue Date until and including the Scheduled Maturity Date or such other period as specified in the applicable Final Terms.

**Reference Price** means, in respect of Basket Bond Linked Notes, 100% or the percentage specified as such in the applicable Final Terms.

**Relevant Proportion** means the proportion which one Note bears to the total number of Notes outstanding.

**Relevant Spot Exchange Rate** means in respect of a date and an amount to be converted into the Specified Currency of the Notes, the rate of exchange of the currency in which such amount is denominated into the Specified Currency of the Notes as determined by the Calculation Agent, used to convert such amount on such date into the Specified Currency of the Notes.

**Residual Cash Redemption Amount** means, in relation to Basket Bond Linked Notes with respect to which one or more Unsettled Bond Event(s) has(ve) occurred, an amount payable on the Maturity Date representing the difference between the Cash Redemption Amount and the Preliminary Cash Redemption Amount.

**Residual Quotation Amount** means, as determined by the Calculation Agent, an amount equal to the difference between the Quotation Amount (such Quotation Amount being subject for the purposes of this definition to a deemed cap of the Bond Notional Amount) and the aggregate amount of the firm bid quotations obtained on the Second Quotation Day.

**Retained Amount** means, in relation to Basket Bond Linked Notes in respect of which one or more Unsettled Bond Event(s) has(ve) occurred, the lower of:

- (a) the difference between the Aggregate Nominal Amount and the Aggregate Loss Amount immediately prior to the Scheduled Maturity Date; and
- (b) the aggregate of the Loss Amounts for all the Unsettled Bond Events (assuming a Bond Final Value of zero in respect of each Unsettled Bond Event).

**Second Quotation Day** means the Business Day following the First Quotation Day.

**Single Bond Linked Note** means a Bond Linked Note indexed on one Bond for which the applicable Final Terms specify that the clause "Type of Bond Linked Notes" is stated as being "Single Bond Linked Notes".

**Sovereign** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

**Subordination** means, with respect to a Bond (the **Subordinated Obligation**) and another obligation of the Bond Issuer to which such Bond is being compared (the **Senior Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Bond Issuer, claims of the holders of the Senior Obligation are required to be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Bond Issuer at any time that the Bond Issuer is in payment arrears or is otherwise in default under the Senior 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 Bond Issuer is a Sovereign and (y) the ranking in priority of payment shall be determined as of the date as of which

the Bond was issued and shall not reflect any change to such ranking in priority of payment after such date.

**succeed** means, for the purposes of determining a Successor, with respect to a Bond Issuer and its related obligations with respect to a Bond, that a party other than such Bond Issuer assumes or becomes liable for such obligations whether by operation of law or pursuant to any agreement and such Bond Issuer is no longer an obligor (primarily or secondarily) or guarantor with respect to such obligations.

**Succession Event** means

- (a) with respect to a Bond Issuer that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement; or
- (b) with respect to a Bond Issuer that is a Sovereign, an event such as annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Bond Issuer.

**Succession Event Information** means information about the occurrence of a Succession Event that occurred on or after the issue date of the Bond with a description in reasonable detail of the facts relevant to the determination of (a) the Succession Event or the change of name of the Bond Issuer that has occurred and (b) the identity of any Successor or, as applicable, the name of the Bond Issuer. Such Succession Event Information may be requested at any time by the Noteholders at the office of the Calculation Agent, and will be notified as part of a Bond Event Notice (if any) by or on behalf of the Issuer to the Noteholders.

**Successor** means with respect to a Bond, the entity who succeeds to the obligations of the Bond Issuer as determined by the Calculation Agent as soon as reasonably practicable after it becomes aware of the relevant Succession Event on the basis of Publicly Available Information.

With respect to a Sovereign Bond Issuer, Successor means each entity which becomes a direct or indirect successor to such Bond Issuer by way of a Succession Event, irrespective of whether any such successor assumes any of the obligations of such Bond Issuer.

**Third Quotation Day** means the Business Day following the Second Quotation Day.

**Unsettled Bond Event** means:

- (a) in respect of Single Bond Linked Notes, that a Bond Event Determination Date has occurred prior to the Scheduled Maturity Date but the corresponding Bond Final Valuation Notice Receipt Date has not occurred on or immediately prior to the fourth Business Day preceding the Scheduled Maturity Date; and
- (b) in respect of Basket Bond Linked Notes, the occurrence of an Unsettled Bond Event shall give rise to the payment of the Preliminary Cash Redemption Amount on the Scheduled Maturity Date and of the Residual Cash Redemption Amount on the Maturity Date.

**Valuation Hedging Cost** means, in relation to a Bond, the direct and duly documented cost (expressed in the Specified Currency of the Notes using the Relevant Spot Exchange Rate on the relevant calculation date(s) as determined by the Calculation Agent), if any, borne by the Issuer, the Issuer's hedging counterparty, the Calculation Agent or an agent on their behalf in relation to the determination of the Bond Final Price, expressed as a percentage of the Bond Notional Amount.

**Weighted Average Quotation** means, as determined by the Calculation Agent, the weighted average of firm bid quotations obtained from the Quotation Dealers, to the extent reasonably practicable, each for an amount as large a size as available, that in aggregate are equal to or greater than the Quotation Amount. PROVIDED THAT if the aggregate of such quotations is greater than the Quotation Amount, the Calculation Agent shall reduce *pro rata* the notional amount of each firm bid quotation so that the aggregate of the firm bid quotations shall be equal to the Quotation Amount.

### 26.3 Definitions in relation to the Bond Issuer ISDA Event

**Affiliate** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, **control** of any entity or person means ownership of a majority of the voting power of the entity or person concerned.

**Bankruptcy** means a Bond Issuer:

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

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

**Bond Issuer** has the meaning given to it in Condition 26.2.

**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).

**Buyer** means the party specified as such in the related Confirmation.

**Confirmation** means, with respect to a Credit Derivative Transaction, one or more documents and other confirming evidence exchanged between the parties or otherwise effective, which taken together, confirm or evidence all of the terms of that Credit Derivative Transaction.

**Credit Derivatives Transaction** means any transaction that is identified in the related Confirmation as a Credit Derivative Transaction or any transaction that incorporates the 2014 ISDA Credit Derivatives Definitions.

**Credit Event** means, with respect to a Credit Derivative Transaction, one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention as specified in the related Confirmation.

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 Bond Issuer 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 Derivatives Determinations Committee** means each committee established by ISDA pursuant to the DC Rules for purposes of reaching certain DC Resolutions (including, but not limited to, the determination of the occurrence of a Credit Event) in connection with "*Credit Derivative Transactions*" as more fully described in the DC Rules.

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

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



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

**Default Requirement** means USD 10,000,000 or the amount specified as such in the Confirmation for the applicable Credit Derivatives Transaction (or in each case its equivalent in the Obligation Currency as of the occurrence of the relevant Credit Event).

**Definitions** means the 2014 ISDA Credit Derivatives Definitions.

**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 order to convey all right, title and interest to the Seller as more fully described in the Definitions. **Delivery** and **Delivered** will be construed accordingly.

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

**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 Bond Issuer 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.

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

**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 Bond Issuer 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 Bond Issuer 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) of this definition.

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

**Grace Period** means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified as applicable in the related Confirmation, a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Termination Date, the Grace Period will be deemed to be the lesser of such grace period and the period specified as such in the related Confirmation, or if no period is specified, thirty calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that; unless Grace Period Extension is specified as applicable in the related Confirmation, such deemed Grace Period shall expire no later than the Scheduled Termination Date.

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

**Grace Period Extension Date** means, if (a) Grace Period Extension is specified as applicable in the related Confirmation and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination 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 related Confirmation, Grace Period Extension shall not apply to the relevant Credit Derivative Transaction.

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

**Loan** means any obligation of a type included in the Borrowed Money 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.

**Multiple Holder Obligation** means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in this subparagraph (ii) of this definition of Multiple Holder Obligation.

**Notice of Publicly Available Information** means an irrevocable notice from the Notifying Party to the other party that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If "*Notice of Publicly Available Information*" is applicable to a Credit Derivative Transaction and the 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.

**Notifying Party** means "Buyer or Seller" unless otherwise specified in the related Confirmation.

**Obligation** means any obligation (whether present or future, contingent or otherwise) of the Bond Issuer (either directly or as provider of a Relevant Guarantee) for the payment or repayment of money (including, without limitation, Borrowed Money), including for the avoidance of doubt, the Reference Obligation.

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

**Payment Requirement** means USD 1,000,000 or the amount specified as such in the Confirmation for the applicable Credit Derivatives Transaction (or in each case, its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable).

**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 Bond Issuer to the same single transferee.

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

**Potential Repudiation/Moratorium** means the occurrence of an event described in paragraph (i)(a) of the definition of Repudiation/Moratorium.

**Qualifying Guarantee** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Bond Issuer 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 legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Bond Issuer 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 related Confirmation; or
    - (B) any Solvency Capital Provisions, if "*Subordinated European Insurance Terms*" is specified as applicable in the related Confirmation.

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 Bond Issuer and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying

Obligation, or (II) an event of the type described in the definition of Bankruptcy in respect of the Bond Issuer or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

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

**Qualifying Affiliate Guarantee** means a Qualifying Guarantee provided by the Bond Issuer in respect of an Underlying Obligation of a Downstream Affiliate of the Bond Issuer.

**Reference Obligation** means each obligation specified as such or of a type described in the related Confirmation.

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

**Repudiation/Moratorium** means the occurrence of both of the following events: (i) an authorised officer of the Bond Issuer or a Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (b) declares or imposes a moratorium, standstill, roll over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

**Repudiation/Moratorium Evaluation Date** means, if a Potential Repudiation/Moratorium occurs on or prior to the date that is fourteen calendar days after the Scheduled Termination Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Termination Date unless the Repudiation/Moratorium Extension Condition is satisfied.

**Repudiation/Moratorium Extension Condition** means a condition that 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 Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium for purposes of the relevant Credit Derivatives Transaction has occurred with respect to an Obligation of the Bond Issuer and that such event occurred on or prior to the Scheduled Termination Date, or

- (b) otherwise, by the delivery by the Notifying Party to the other party of a Repudiation/Moratorium Extension Notice and unless Notice of Publicly Available Information is specified as "*Not Applicable*" in the related Confirmation, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Termination Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium for purposes of the relevant Credit Derivatives Transaction with respect to an Obligation of the Bond Issuer or (ii) an event that constitutes a Potential Repudiation/Moratorium for purposes of the relevant Credit Derivatives Transaction has occurred with respect to an Obligation of the Bond Issuer but that such event occurred after the Scheduled Termination Date.

**Repudiation/Moratorium Extension Notice** means an irrevocable notice from the Notifying Party to the other party that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Termination 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 it in the DC Rules, and "*Resolved*" and "*Resolves*" shall be construed accordingly.

**Restructuring** means that:

- (a) with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Bond Issuer or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Bond Issuer 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 in accordance with the Definitions and the date as of which such Obligation is issued or incurred:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (a) the payment or accrual of interest, or (b) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor

currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

- (b) Notwithstanding the provisions of paragraph (a) above, none of the following will constitute a Restructuring:
- (i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
  - (ii) the redenomination from euros into another currency, if (i) 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 (ii) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
  - (iii) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (a)(v) above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iv) the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (a)(v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Bond Issuer, provided that in respect of paragraph (a)(v) above only, no such deterioration in the creditworthiness or financial condition of the Bond Issuer is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.
- (c) For the purposes of paragraphs (a) and (b) above and Multiple Holder Obligation, the term Obligation shall be deemed to include Underlying Obligations for which the Bond Issuer is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Bond Issuer in paragraph (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Bond Issuer in paragraph (b) above shall continue to refer to the Bond Issuer.
- (d) If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a)(i) to (a)(v) above 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.
- (e) Unless Multiple Holder Obligation is specified as not applicable in the related Confirmation, then, notwithstanding anything to the contrary above, the occurrence of, agreement to or announcement of any of the events described in paragraphs (a)(i) to (a)(v) above shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

**Seller** means the party specified as such in the related Confirmation.

**Subordination** means, with respect to an obligation (the **Second Obligation**) and another obligation of the Bond Issuer to which such obligation is being compared (the **First Obligation**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding-up of the Bond Issuer, 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 payments in respect of their claims against the Bond Issuer at any time that the Bond Issuer is in payment arrears or is otherwise in default under the First Obligation, as more fully described in the Definitions.

**Scheduled Termination Date** means the date specified as such in the related Confirmation.

**Solvency Capital Provisions** means any terms in an obligation which permit the Bond Issuer'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.

**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.

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

#### **26.4 Market Disruption**

**Market Disruption Event** means the occurrence or existence of a specific circumstance or a combination of circumstances, which in either case the Calculation Agent determines is material and which objectively prevents it from determining whether a Knock-in or Knock-out Event has occurred, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time when the event triggers respectively the Knock-in Level or the Knock-out Level or (b) in all other circumstances ends at the relevant Valuation Time.

**Disrupted Day** means any day on which a Market Disruption Event has occurred.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Knock-in Determination Day, a Knock-out Determination Day or a Valuation Date.

#### **26.5 Knock-in Event and Knock-out Event**

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.



If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the Knock-in Level or the Knock-out Level has been triggered, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of this Condition 26:

**Knock-in Event** means an event specified as such in the applicable Final Terms as of the Knock-in Valuation Time on any Knock-in Determination Day and which may be an event *per se*, specified in the applicable Final Terms or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

**Knock-in Level** means a level specified as such in the applicable Final terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 26.4 above.

**Knock-in Determination Day** means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 26.4 above. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

**Knock-out Event** means an event specified as such in the applicable Final Terms as of the Knock-out Valuation Time on any Knock-out Determination Day and which may be an event *per se* or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

**Knock-out Level** means a level determined as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 26.4 above.

**Knock-out Determination Day** means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 26.4 above. For the purposes of a Market Disruption, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## **27. ADDITIONAL PROVISIONS APPLICABLE TO RATE LINKED NOTES**

This Condition 27 applies to Rate Linked Notes only. The Technical Annex set out on pages 511 to 543 of this Base Prospectus contains provisions relating to the formulae used to determine amounts payable under Rate Linked Notes. The applicable Final Terms must be read in conjunction with this Condition 27 and with the Technical Annex for full information on any Rate Linked Notes. The applicable Final Terms will specify the manner in which the performance of the Underlying Rate is to be determined as well as other relevant provisions, in accordance with this Condition 27 and the Technical Annex. In particular, the applicable Final Terms will identify the relevant Underlying Rate(s).

### **27.1 Payments on redemption**

Payments due under a Rate Linked Note shall be determined in accordance with the Underlying Rate(s) and, where applicable, in accordance with the adjustment rules set out in this Condition 27 and specified as applicable in the applicable Final Terms. The Calculation Agent will determine the Underlying Rate, on or as soon as practicable after each Rate Determination Date (in the case of Screen Rate Determination or FBF Determination) or Reset Date (in the case of ISDA Determination), as applicable. The Calculation Agent will notify the Principal Paying Agent of the Underlying Rate as soon as practicable after calculating the same.

### **27.2 Underlying Rate Determination**

The value of the Underlying Rate will be determined in the manner specified in the applicable Final Terms.

#### **(a) ISDA Determination**

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Underlying Rate is to be determined, the Underlying Rate will be the relevant Underlying ISDA Rate specified in the applicable Final Terms. For the purposes of these Rate Linked Note Conditions, **Underlying ISDA Rate** means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation 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:

- (i) the Floating Rate Option is as specified in the applicable Final Terms;
- (ii) the Designated Maturity is a period specified in the applicable Final Terms; and
- (iii) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of these Rate Linked Note Conditions, **Floating Rate, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions. A copy of the ISDA Definitions may be obtained from the Issuer.

(b) **Screen Rate Determination**

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Rate is to be determined, the Underlying Rate will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) 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(s) 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 Relevant Financial Centre time indicated in the applicable Final Terms (which will be 11.00 a.m., London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the relevant Rate Determination Date, all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the event that the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the Relevant Financial Centre time, the Calculation Agent shall request each of the reference banks to provide it with its offered quotation (expressed as a percentage *per annum*) for the Reference Rate(s).

For the avoidance of doubt, if amounts under any Rate Linked Notes are to be calculated by reference to any Reference Rate in respect of which a Benchmark Event occurs, then the provisions of Condition 6.2(b)(iv) of the Terms and Conditions of the French Law Notes or

Condition 4.2(b)(iv) of the Terms and Conditions of the English Law Notes, as applicable, shall apply and prevail over the provisions of this Condition 27.2(b).

(c) **FBF Determination**

(i) Where FBF Determination is specified in the applicable Final Terms as the manner in which the Underlying Rate is to be determined, the Underlying Rate will be the relevant FBF Rate. For the purposes of these Rate Linked Note Conditions, **FBF Rate** means a rate equal to that which would have been payable (regardless of any event of default or termination event thereunder) by the Issuer if it had entered into an interest rate swap transaction governed by an agreement in the form of the Master Agreement relating to transactions on forward financial instruments incorporating the FBF Definitions (a **FBF Agreement**), as in effect on the date of issue of the Notes, published by the *Fédération Bancaire Française* (the **FBF**) and evidenced by a Confirmation (as defined in the FBF Agreement) with the holder of the relevant Note under which:

- (A) the Issuer was the Floating Amount Payer;
- (B) the Calculation Agent (as defined herein) was the Agent (as defined in the FBF Agreement) or as otherwise specified in the applicable Final Terms;
- (C) the lowest Specified Denomination was the Notional Amount;
- (D) the Rate Determination Dates were the Floating Amount Payment Dates; and
- (E) all other terms were as specified in the applicable Final Terms.

**FBF Definitions** means the definitions set out in the FBF Master Agreement (a copy of which may be obtained free of charge on the FBF website at <http://www.fbf.fr/en/banking-issues/agreements-and-conventions/xbf-master-agreement-relating-to-transactions-on-forward-financial-instruments>), unless otherwise specified in the relevant Final Terms.

(ii) When paragraph (i) above applies, in respect of the relevant Rate Determination Date:

- (A) the Underlying Rate(s) will be the Floating Rate (as defined in the FBF Agreement) determined by the Agent in accordance with paragraph (i) above; and
- (B) the Agent will be deemed to have discharged its obligations under this Condition 27 if it has determined the Underlying Rate(s) in the manner provided in the preceding sentence.

### 27.3 Definitions

**Averaging Date** means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) If **Omission** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Underlying Rate provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **Postponement** is specified as applying in the applicable Final Terms, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **Modified Postponement** is specified as applying in the applicable Final Terms then:
  - (i) where the Notes relate to a single Underlying Rate, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption (up to the Relevant Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of Valuation Date below;
  - (ii) where the Notes relate to a basket of Underlying Rates, the Averaging Date for the Underlying Rate(s) not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Underlying Rate affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Underlying Rate(s). If the first succeeding Valid Date in relation to such Underlying Rate(s) has not occurred for consecutive Scheduled Trading days equal in number to the Specified Maximum Days of Disruption (up to the Relevant Time on the last such consecutive Scheduled Trading Day) immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Underlying Rate, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of Valuation Date below; and
  - (iii) for the purposes of these Conditions **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

**Disrupted Day** means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred.

**Disruption Event** means the occurrence of an event whereby it is impossible to determine the Underlying Rate(s) in the manner set out in Condition 27.2 above.

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date".

**Observation Period** means the period specified as the Observation Period in the applicable Final Terms.

**Rate Determination Date** means the date specified as such in the applicable Final Terms.

**Relevant Time** means the time specified as such in the applicable Final Terms.

**Scheduled Trading Day** means the relevant Scheduled Trading Day specified in the applicable Final Terms.

**Specified Maximum Days of Disruption** means eight (8) Scheduled Trading Days or such other number of Scheduled Trading Days specified in the applicable Final Terms.

**Trade Date** means the date specified as such in the applicable Final Terms.

**Underlying Rate(s)** means an applicable interest rate(s) specified as such in the applicable Final Terms.

**Valuation Date** means the Valuation Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Notes relate to a single Underlying Rate, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, and unless otherwise specified in Condition 27.2, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Underlying Rate in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Underlying Rate in accordance with its good faith estimate of the value for the Underlying Rate as of the Relevant Time on the last such consecutive Scheduled Trading Day; or
- (b) where the Notes relate to a basket of Underlying Rates, the Valuation Date for each Underlying Rate not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Rate, affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the consecutive Scheduled Trading Days equal in number to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day

relating to the Affected Item. In that case, and unless otherwise specified in Condition 27.2, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Underlying Rate using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Relevant Time on the last such consecutive Scheduled Trading Day.

#### **27.4 Hedging Disruption – Increased Cost of Hedging – Change in Law – Consequences - Monetisation until the Maturity Date**

(a) **Hedging Disruption, Increased Cost of Hedging**

**Hedging Disruption** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Underlying Rate level risk, or any other relevant level risk including, but not limited to, the interest rate, equity and currency risk of the Issuer issuing and performing its obligations in respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Underlying Rate level risks (or any other relevant level risk including, without limitation, equity and credit price risk, foreign exchange risk, interest rate risk, and any other price risks) of the Issuer issuing and performing its obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

(b) **Change in Law**

**Change in Law** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of any change in the interpretation by any court, tribunal or regulatory authority, the Issuer determines in its sole and absolute discretion that it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes.

(c) **Consequences**

Upon the occurrence of an Exceptional Event Date, the Issuer may decide either to:

- (i) consider such event as an event triggering an early redemption of the Notes (hereafter, an **Early Redemption Event**). In the case where an Early Redemption Event occurs, the Issuer shall terminate its obligations under the Notes and shall pay or cause to be paid an Early Redemption Amount on the basis of the Fair Market Value as defined in Condition 6.7; or

(ii) apply the Monetisation until the Maturity Date;

Or, but only in the case of Increased Cost of Hedging:

(iii) deduct:

- (A) from the Interest Amount (if any) due under the Notes on the Interest Payment Date(s) following the occurrence of the Increased Cost of Hedging, the amount of any new, or any increase of, any tax, duty, expense or fee, that triggered the occurrence of the Increased Cost of Hedging incurred by the Issuer or any of its Affiliates in relation to the Hedge Positions hedging the payment obligations of the Issuer under the Notes, such amount to be apportioned *pro rata* amongst the outstanding Notes (the **Reduction Amount**); PROVIDED THAT if on an Interest Payment Date on which a Reduction Amount shall be deducted from the Interest Amount, the Reduction Amount in respect of each Note is greater than the Interest Amount due under each Note (prior to the deduction of the Reduction Amount) on such Interest Payment Date, the Interest Amount will be reduced to zero and the difference between the Reduction Amount and the Interest Amount (prior to the deduction of the Reduction Amount) will be deducted from the Interest Amount due on one or more of the following Interest Payment Date(s) (if any), and if a Reduction Amount has not been deducted in whole or in part on the last Interest Payment Date under the Notes, the remaining Reduction Amount will be deducted from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any), the Early Redemption Amount (if any) or the Final Redemption Amount, whichever comes first (the reduction of such deduction being floored at zero); or
- (B) in the absence of any Interest Amount under the Notes, (a) from the Optional Redemption Amount (if any), the Automatic Early Redemption Amount (if any) or the Early Redemption Amount (if any), due under the Notes on the Optional Redemption Date (if any), the Automatic Early Redemption Date (if any) or the payment date of the Early Redemption Amount (if any), whichever comes first, and (b) in the absence of any Optional Redemption Amount, Automatic Early Redemption Amount and Early Redemption Amount in respect of the Notes, from the Final Redemption Amount due on the Maturity Date, in each case after the occurrence of the Increased Cost of Hedging, the Reduction Amount (the result of such deduction being floored at zero).

Following the occurrence of an Exceptional Event Date, the Calculation Agent shall notify the Issuer, which shall in its turn notify the Noteholders pursuant to the provisions of Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the relevant adjustment made or decision taken by the Calculation Agent. Details of any adjustment made or decision taken may be obtained by the Noteholders upon request at the Calculation Agent's specified address.

(d) **Monetisation until the Maturity Date**

The Issuer will no longer be liable for any payment, on the Maturity Date or any Interest Payment Date, but instead will, in full and final satisfaction of its obligations pay an amount as described in Conditions 27.4(d)(i) and 27.4(d)(ii) below:



- (i) In respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms could be as low as zero:

In accordance with the provisions of Condition 27.4(d) above, the Issuer will pay on the Maturity Date an amount per Note, determined by the Calculation Agent, with a minimum of zero, based on (a) the net positive cash amount that the Issuer or any of its Affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting the obligations and liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b) each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded); for the avoidance of doubt, the liquidation proceeds of any assets held by the Issuer or any of its Affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Issuer or any of its Affiliates under its Hedge Positions and the Calculation Amount mentioned above may be as low as zero; or

- (ii) In respect of the redemption of Notes whose Final Redemption Amount as defined in the applicable Final Terms cannot be in any case lower than an amount strictly positive (the **Minimum Redemption Amount**):

In accordance with the provisions of Condition 27.4(d) above, the Issuer will pay on the Maturity Date an amount per Note, determined by the Calculation Agent, equal to the sum of (a) the Minimum Redemption Amount and (b) an amount, equal to the positive difference, if any, between:

- (A) the net positive cash amount that the Issuer or any of its Affiliates would be left with on the Full Liquidation Date, as a result of liquidating the Hedge Positions (*inter alia* by meeting the obligations and liabilities of the Hedge Positions, if any, with the liquidation proceeds of the assets of the Hedge Positions) minus (b) the Associated Costs (the result of this difference (a) minus (b), each converted if necessary in the Specified Currency using the Relevant Spot Exchange Rate on the Full Liquidation Date, is a **Calculation Amount** for the purposes of this provision and of the Compounding Method) together with (c) interest that would have accrued on such Calculation Amount pursuant to the Compounding Method, during the period (which for the purposes of this provision and of the Compounding Method shall be a **Calculation Period**) between (x) the Full Liquidation Date (included) and (y) the Maturity Date (excluded); and
- (B) an amount equal to the Minimum Redemption Amount; for the avoidance of doubt, the liquidation proceeds of any assets held by the Issuer or any of its Affiliates as Hedge Positions shall be deemed to be used in priority to extinguish any liability, if any, incurred by the Issuer or any of its Affiliates under its Hedge Positions and the Calculation Amount mentioned above may be as low as zero.

Definitions applicable to this Condition:

**Associated Costs** means an amount determined by the Issuer in its reasonable discretion equal to the sum of (without duplication) all costs (including, without limitation, cost of funding), losses, expenses, tax and duties incurred by the Issuer or any of its Affiliates in connection with the termination, liquidation or re-establishment of the Hedge Positions, such amount to be apportioned *pro rata* the outstanding Notes;

**Compounding Method** means, when interest is specified herein as accruing pursuant to the Compounding Method, that the amount of interest shall be equal to the sum of the Compounding Period Amounts for each Compounding Period in the related Calculation Period;

where:

**Adjusted Calculation Amount** means (a) in respect of the first Compounding Period of a Calculation Period, the Calculation Amount for that Calculation Period and (b) in respect of any succeeding Compounding Period in that Calculation Period, an amount equal to the sum of the Calculation Amount for that Calculation Period and the Compounding Period Amounts for each of the previous Compounding Periods in that Calculation Period;

**Compounding Date** means, in respect of a Calculation Period, each Business Day (being a Business Day in Paris) of such Calculation Period;

**Compounding Period** means, in respect of a Calculation Period, each period from and including a Compounding Date to but excluding the immediately following Compounding Date during that Calculation Period;

**Compounding Period Amount** means, in respect of a Compounding Period, the product of (a) the Adjusted Calculation Amount, (b) the Compounding Rate and (c) the Day Count Fraction;

**Compounding Rate** means, in respect of a Compounding Period Amount, the interbank overnight rate in the Specified Currency as determined by the Calculation Agent on the first day of the relevant Compounding Period; notwithstanding this, the Compounding Rates related to the last four Compounding Periods in the Calculation Period shall be that of the fifth Compounding Period before the Maturity Date; the specific Compounding Rate used in respect of a Specified Currency of the Notes shall be available at the office of the Calculation Agent for each Compounding Date;

**Day Count Fraction** means, for the purposes of Compounding Method above, the exact number of days in a Compounding Period (the first included and the last excluded), divided by 360;

**Exceptional Event** means, as determined by the Calculation Agent acting in good faith, the occurrence during the period from and including the Issue Date to and including the Last Exceptional Event Occurrence Date of one or more of Hedging Disruption, an Increased Cost of Hedging or a Change in Law;

**Exceptional Event Date** means in respect of an Exceptional Event, the date, from and including the Issue Date to and including the Last Exceptional Event Occurrence Date, on which the Calculation Agent determines in good faith that an Exceptional Event has occurred;

**Full Liquidation Date** means the date on which the liquidation proceeds of the Hedge Positions (including *inter alia* by meeting the obligations and liabilities of such Hedge

Positions, if any, or any part thereof, if any, with the liquidation proceeds of the assets of such Hedge Positions) are deemed, as determined by the Calculation Agent, to be fully received by the Issuer or any of its Affiliates;

**Hedge Positions** means any purchase, sale, entry into or maintenance, by the Issuer or any of its Affiliates, of one or more (a) positions or contracts in securities, options, futures, derivatives, interest rate transactions or foreign exchange transactions, (b) securities lending/borrowing transactions, (c) any cash deposits or cash borrowings and/or (d) other instruments, arrangements, assets or liabilities howsoever described in order to hedge individually or on a portfolio basis the part of the Issuer or any of its Affiliate's obligations under the Notes; and

**Last Exceptional Event Occurrence Date** means the fourth (4<sup>th</sup>) Business Day immediately preceding the Maturity Date.

(e) **Automatic Early Redemption**

(i) If Automatic Early Redemption Event is specified as applicable in the Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date, an Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Early Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

(ii) For the purposes of this Condition 27:

(iii) **Automatic Early Redemption Amount** means (a) an amount in the Specified Currency specified in the applicable Final Terms or if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

(iv) **Automatic Early Redemption Date** means each date specified as such in the applicable Final Terms, subject in each case to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

(v) **Automatic Early Redemption Event** means (unless otherwise specified in the applicable Final Terms) (A) in the case of an Underlying Rate, that the level of the Underlying Rate determined by the Calculation Agent as of the Relevant Time on any Automatic Early Redemption Valuation Date is, and (B) in the case of a basket of Underlying Rates, the amount for the basket determined by the Calculation Agent equal to the sum of the values of each Underlying Rate as the product of (i) the level of such Underlying Rate as determined by the Calculation Agent as of the Relevant Time on any Automatic Early Redemption Valuation Date and (ii) the relevant weighting is, and for both (A) and (B) as specified in the Final Terms (a) "greater than", (b) "greater than or equal to", (c) "less than" or (d) "less than or equal to" the Automatic Early Redemption Level.

(vi) **Automatic Early Redemption Level** means the level of the Underlying Rate specified as such or otherwise determined in the applicable Final Terms, subject to Condition 27.4 above.

(vii) **Automatic Early Redemption Rate** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

- (viii) **Automatic Early Redemption Valuation Date** means each date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Automatic Early Redemption Valuation Date".

## 27.5 **Knock-in Event and Knock-out Event**

If Knock-in Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-in Event shall be conditional upon the occurrence of such Knock-in Event.

If Knock-out Event is specified as applicable in the Final Terms, then, unless otherwise specified in such Final Terms, amendment to the terms of the Notes (as specified in the applicable Final Terms) and/or payment under the relevant Notes subject to a Knock-out Event shall be conditional upon the occurrence of such Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, then such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.

If the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during any Knock-in Determination Day or Knock-out Determination Day and at any time during the one hour period that begins and/or ends at the time on which the Knock-in Level or the Knock-out Level has been triggered, a Market Disruption Event occurs or exists, then the Knock-in Event or the Knock-out Event shall be deemed not to have occurred.

For the purposes of this Condition 27:

**Knock-in Event** means an event specified as such in the applicable Final Terms as of the Knock-in Valuation Time on any Knock-in Determination Day and which may be an event *per se*, specified in the applicable Final Terms or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Level.

**Knock-in Level** means a level specified as such in the applicable Final terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 27.6 below.

**Knock-in Determination Day** means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-in Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 27.6 below. For the purposes of a Market Disruption, any Knock-in Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out above shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-in Determination Day".

**Knock-in Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-in Valuation Time** means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time.

**Knock-out Event** means an event specified as such in the applicable Final Terms as of the Knock-out Valuation Time on any Knock-out Determination Day and which may be an event *per se* or depending on being (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Level.

**Knock-out Level** means a level determined as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions of "Market Disruption" set out in Condition 27.6 below.

**Knock-out Determination Day** means a day specified as such in the applicable Final Terms, or each Scheduled Trading Day during the Knock-out Determination Period subject to, in either case, the provisions of "Market Disruption" set out in Condition 27.6 below. For the purposes of a Market Disruption, any Knock-out Determination Day will be treated as a Valuation Date and the provisions contained in the definition of "Valuation Date" set out below shall apply. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Knock-out Determination Day".

**Knock-out Determination Period** means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date.

**Knock-out Period Beginning Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Period Ending Date** means the date specified as such in the applicable Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

**Knock-out Valuation Time** means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time.

## **27.6 Market Disruption**

**Market Disruption Event** means, in relation to Notes relating to a single Underlying Rate or a basket of Underlying Rates, the occurrence or existence of a specific circumstance or a combination of circumstances, which in either case the Calculation Agent determines is material and which objectively prevents it from determining whether a Knock-in or Knock-out Event has occurred, at any time during the one hour period that (a) for the purposes of the occurrence of a Knock-in Event or a Knock-out Event begins or ends at the time on which the level of the Underlying Rate(s) triggers respectively the Knock-in Level or the Knock-out Level or (b) in all other circumstances ends at the relevant Valuation Time.

The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 of the English Law Notes or Condition 14 of the French Law Notes, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been a Knock-in Determination Day, a Knock-out Determination Day or a Valuation Date.

## TECHNICAL ANNEX

### Provisions relating to Interests and Payouts

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**4.1 Payouts applicable to all Notes except Credit Linked Notes and Bond Linked Notes**

Reverse Convertible (Reverse Convertible with European Barrier & Reverse Convertible With American Barrier); Generic Reverse with European Barrier ; Generic Short Call Spread ; Lock-In ;Autocall (Autocall With European Barrier & Autocall With American Barrier); Callable Stability; Call; Bonus Certificate (Bonus Certificate With European Barrier & Bonus Certificate With American Barrier); Shark; Himalaya; Ladder Call Spread, Mountain Range.

**4.2 Provisions relating to averaging**

**4.3 Payouts applicable to Credit Linked Notes**

Credit Linked Notes Early Redeemed; Credit Linked Notes Redeemed at Maturity; Guaranteed Credit Linked Notes; Basket/Index Credit Linked Notes; Index Tranche Credit Linked Notes; Leverage Basket/Index Credit Linked Notes; n<sup>th</sup> to Default Credit Linked Notes Early Redeemed; n<sup>th</sup> to Default Credit Linked Notes Redeemed at Maturity; Generic Reverse with European Barrier ; Generic Short Call Spread.

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**4.4 Payouts applicable to Bond Linked Notes**

Bond Linked Notes Redeemed at Maturity; Guaranteed Bond Linked Notes; Basket Bond Linked Notes.



## TECHNICAL ANNEX

### Provisions relating to Interests and Payouts

#### 1. INTRODUCTION TO THE TECHNICAL ANNEX AND EXAMPLES

##### *Introduction*

This Technical Annex contains the calculation Formulae (each a **Formula**) used to determine the Interest Amount, Early Redemption Amount or Final Redemption Amount payable under a Note.

The first section contains a glossary (**Glossary**) in which certain terms used in the Formulae described below are defined.

The second section (**Interests**) describes the type of interests that may be paid under a Note and the applicable Formula used to determine those interests. In relation to a Note that bears interest, two elements are to be considered: firstly, the "Type of Coupon", as defined in 3.1 below, refers to the form of Coupon that can be paid (e.g. fixed or floating rate that can be indexed on various Underlying References); secondly, the "Terms of Payment", as defined in 3.2 below, describe the conditions that can apply to the payment of the Coupon if so specified in the applicable Formula and Final Terms. The interests paid under a Note can be calculated by combination of a Type of Coupon with one or several Term(s) of Payment.

The third section (**Payouts**) identifies all the ways in which the principal of a Note can be redeemed on the relevant repayment date. Paragraph 4.1 describes the Payouts that may apply to all types of Notes except Credit Linked Notes and Bond Linked Notes. Paragraph 4.3 describes the Payouts that may apply to Credit Linked Notes. Paragraph 4.4 describes the Payouts that may apply to Bond Linked Notes.

In case of any discrepancy between the provisions set out in the section of this Base Prospectus entitled "Terms and Conditions of the Notes" and this Technical Annex, the Technical Annex shall prevail.

##### **Examples**

Three examples of Notes that the Issuer may issue under the Programme are described below.

All capitalised terms used have the meaning given to them in this Technical Annex or, as the case may be, in the section of this Base Prospectus entitled "Terms and Conditions of the Notes".

##### ***Example 1 - Reverse Convertible Note with European Barrier***

###### ***Characteristics***

<b>Issue Date:</b>	5 August 2013
<b>Maturity Date:</b>	5 August 2014
<b>Initial Observation Date:</b>	5 August 2013
<b>Final Observation Date:</b>	1 August 2014

<b>Relevant Time:</b>	Closing time on the relevant Exchange
<b>Underlying Reference:</b>	Shares of VALLOUREC SA (Bloomberg code: VK FP Equity)
<b>Settlement:</b>	physical
<b>Interest Amount:</b>	fixed coupon equal to 8% of Specified Denomination
<b>Knock-In Event:</b>	the Price of the Underlying Reference observed at the Relevant Time on the Final Observation Date is lower than the Knock-In Price.
<b>Knock-In Price:</b>	60% of the Initial Price.
<b>Initial Price:</b>	Simple Price of the Underlying Reference on the Initial Observation Date.
<b>Indexation:</b>	1 (one)

#### **Interests**

On the Maturity Date, a Fixed Coupon Amount is paid without any condition equal to:

$$8\% \times \text{Specified Denomination.}$$

#### **Principal**

If no Knock-In Event has occurred, the Notes will be redeemed according to the following formula:

$$\text{Specified Denomination} \times \text{Final Redemption Level}$$

Otherwise, as the Notes are physically settled, the Notes will be redeemed in shares of the Underlying Reference according to the following formula:

$$\frac{\text{Specified Denomination}}{\text{Indexation} \times \text{Initial Price}}$$

Any fraction of a share being paid in cash.

#### ***Example 2 - Shark Note***

##### ***Characteristics***

<b>Issue Date:</b>	5 August 2013
<b>Maturity Date:</b>	5 August 2016
<b>Initial Observation Date:</b>	5 August 2013
<b>Final Observation Date:</b>	13 August 2016
<b>Relevant Time:</b>	closing time on the relevant Exchange
<b>Underlying Reference:</b>	DJ Eurostoxx Index (Bloomberg code: SX5E Index)

<b>Settlement:</b>	cash
<b>Interest Amount:</b>	not applicable
<b>Knock-Out Event:</b>	the level of the Underlying Reference observed at the Relevant Time on the Final Observation Date is lower than the Knock-Out Price.
<b>Knock-Out Price:</b>	120% of the Initial Price.
<b>Initial Price:</b>	Simple Price of the Underlying Reference on the Initial Observation Date.
<b>Rebate:</b>	5%

### Interests

The Note does not bear interests.

### Principal

On the Maturity Date, if the Simple Price of the Underlying Reference observed on the Final Observation Date is strictly greater than the Knock-Out Price, a Knock-Out Event will be deemed to have occurred and the Note is redeemed according to the following Formula:

$$\text{Specified Denomination} \times (\text{Final Redemption Level} + \text{Rebate})$$

Otherwise, the Note will be redeemed in cash according to the following Formula:

$$\text{Specified Denomination} \times [1 + \text{Performance}]$$

With:

$$\text{Performance} = \frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$

The Performance is subject to a Minimum Level of zero.

### *Example 3 – Credit Linked Note*

#### *Characteristics*

<b>Issue Date:</b>	20 June 2013
<b>Maturity Date:</b>	20 June 2016
<b>Underlying Reference:</b>	Rallye SA
<b>Knock-Out Event:</b>	at least one of the three Credit Events happens on the Reference Entity between the Issue Date and the Maturity Date: <ul style="list-style-type: none"> <li>• Failure to Pay</li> <li>• Bankruptcy</li> </ul>

- Restructuring

## Interests

In the absence of a Knock-Out Event on the Reference Entity, a yearly coupon is paid according to the following formula:

$$\text{Specified Denomination} \times 3.70\% \times \text{Nb days}/365$$

The scheduled Coupon Payment Dates are:

Coupon Payment Dates	Nb days
20 June 2014	365
22 June 2015	367
20 June 2016	364

## Principal

In the absence of a Knock-Out Event, the Note is redeemed at its Specified Denomination

If a Knock-Out Event took place, the Note is redeemed according to the following Formula:

$$\text{Specified Denomination} \times \text{Recovery Rate}$$

In the case where a Knock-Out Event occurred, the Redemption will take place on the Maturity Date.

## 2. GLOSSARY

### 2.1 Definitions of Price

**Price** means the value of the relevant Underlying Reference or Underlying References determined according to one of the methods defined in this section 2.1 and as specified in the applicable Final Terms.

The Price can be expressed in the relevant Final Terms as an Initial Price, Intermediate Price or Final Price and if so specified in the Final Terms, can be converted at the exchange rate determined by the Calculation Agent and on the Exchange Dates specified in the Final Terms.

The Price can be subject to a Cap (i.e. Maximum Level), a Floor (i.e. Minimum Level) or a Leverage if so specified in the applicable Final Terms.

**Initial Price** means the Price determined by using one or more of the methods described below on the relevant Initial Observation Date(s) or during the relevant Initial Observation Period(s).

**Intermediate Price** means the Price determined by using one or more of the methods described below on the relevant Intermediate Observation Date(s) or during the relevant Intermediate Observation Period(s).

**Final Price** means the Price determined by using one or more of the methods described below on the relevant Final Observation Date (s) or during the relevant Final Observation Period(s).

These Prices (Initial Price, Intermediate Price and Final Price) can be determined by using one or more of the following methods i.e. the methods can be combined.

When the word "**Price**" is used in the formulas and definitions below, it can refer to all definitions of Price covered in this section. For example, we can calculate a Lookback Price which would be the minimum value of several Average Prices.

- **Fixed Price** means an absolute value defined in the applicable Final Terms.
- **Simple Price** means an amount determined in accordance with the following Formula:

*Price of the Underlying Reference observed on the relevant Observation Date(s) or during the relevant Observation Period(s) on the Relevant Exchange or Relevant Screen Page*

- **Average Price** means the weighted average of the Prices observed on one or more Observation Date(s) or during one or more Observation Period(s). In this case, the Prices are observed jointly as part of a basket (there can however be more than one basket). The Average Price is calculated in accordance with the following Formula:

$$\sum_{i=1}^m W_{(i)} \times Price_{(i)}$$

With:

**m** = number of components in each basket.

**W<sub>(i)</sub>** = weighting of the *i*<sup>th</sup> component of the basket specified in the applicable Final Terms.

For the avoidance of doubt, a component can be defined as a single Underlying Reference or a combination of Underlying References.

For the avoidance of doubt, each of the Prices<sub>(i)</sub> as well as the Average Price can be subject to a Cap, a Floor and a Leverage.

- **Asian Price** means the weighted average of the Prices observed on the relevant Observation Dates or during the relevant Observation Period(s). However, in this case, the weightings relate rather to a period than to a basket component. The Asian Price is determined in accordance with the following Formula:

$$\sum_{t=1}^m W_{(t)} \times Price_{(t)}$$

If the Observation Dates or Observation Periods are equally-weighted, the formula can be expressed as:

$$1/m \sum_{t=1}^m Price_{(t)}$$

With:

**m** = number of relevant Observation Date(s) or Observation Period(s).

**W<sub>(t)</sub>** = weighting of the *t*<sup>th</sup> date or period specified in the applicable Final Terms.

For the avoidance of doubt, each of the Prices<sub>(t)</sub> as well as the Asian Price can be subject to a Cap, a Floor and a Leverage.

- **Lookback Price** means the minimum or maximum (as specified in the applicable Final Terms) of the Prices observed during one or more Observation Period(s) or on one or more Observation Date(s). It can be determined in accordance with either of the following Formulas as specified in the applicable Final Terms:

$$\textit{Min (Prices}_{(i)})}$$

$$\textit{Max (Prices}_{(i)})}$$

**Max** means that the considered value is the highest value of all Prices<sub>(i)</sub>.

**Min** means that the considered value is the lowest value of all Prices<sub>(i)</sub>.

For the avoidance of doubt, each of the Prices<sub>(i)</sub> as well as the Lookback Price can be subject to a Cap, a Floor and a Leverage.

**Observation Date** means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then the provisions relating to "Omission", "Postponement" or "Modified Postponement", as the case may be, contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date".

**Observation Period** means the period specified in the applicable Final Terms.

**Initial Observation Date(s)** means the first Observation Date(s) as specified in the applicable Final Terms.

**Final Observation Date(s)** means the last Observation Date(s) as specified in the applicable Final Terms.

**Intermediate Observation Date(s)** means the Observation Date(s) that are neither Initial Observation Date(s) nor Final Observation Date(s).

## 2.2 Definitions of Performance

The Performance and all of its components can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>. Performance can refer to one or more of the following notions (the notions can be combined):

- ✓ **Performance 1:** means an amount determined in accordance with the following Formula in relation to a single entity Underlying Reference or a basket for which the Final Price and the Initial Price can be determined by using the methods described in the "Definitions of Price" paragraph:

$$\frac{\textit{Final Price} - \textit{Initial Price}}{\textit{Initial Price}}$$

- ✓ **Performance 2:** means an amount determined in accordance with the following Formula in relation to a single entity Underlying Reference or a basket for which the Final Price and the Initial Price can be determined by using the methods described in the "Definitions of Price" paragraph:

$$\frac{\text{Initial Price} - \text{Final Price}}{\text{Initial Price}}$$

- ✓ **Performance 3:** means an amount determined in accordance with the following Formula in relation to a single entity Underlying Reference or a basket for which the Final Price and the Initial Price can be determined by using the methods described in the "Definitions of Price" paragraph:

$$\frac{\text{Final Price} - \text{Initial Price}}{\text{Final Price}}$$

- ✓ **Performance 4:** means an amount determined in accordance with the following Formula in relation to a single entity Underlying Reference or a basket for which the Final Price and the Initial Price can be determined by using the methods described in the "Definitions of Price" paragraph:

$$\frac{\text{Initial Price} - \text{Final Price}}{\text{Final Price}}$$

- ✓ **Performance 5:** means an amount determined in accordance with the following Formula in relation to a single entity Underlying Reference or a basket for which the Final Price and the Initial Price can be determined by using the methods described in the "Definitions of Price" paragraph:

$$\frac{1}{\text{Initial Price}} - \frac{1}{\text{Final Price}}$$

- ✓ **Performance 6:** means an amount determined in accordance with the following Formula in relation to a single entity Underlying Reference or a basket for which the Final Price and the Initial Price can be determined by using the methods described in the "Definitions of Price" paragraph:

$$\frac{1}{\text{Final Price}} - \frac{1}{\text{Initial Price}}$$

- ✓ **Performance 7:** means an amount determined in accordance with the following Formula in relation to a single entity Underlying Reference or a basket for which the Final Price and the Initial Price can be determined by using the methods described in the "Definitions of Price" paragraph:

$$\frac{\text{Final Price}}{\text{Initial Price}}$$

- ✓ **Performance 8:** means an amount determined in accordance with the following Formula in relation to a single entity Underlying Reference or a basket for which the Final Price and the Initial Price can be determined by using the methods described in the "Definitions of Price" paragraph:

$$\frac{\text{Initial Price}}{\text{Final Price}}$$

- **Basket Performance** means an amount determined in accordance with the following Formula in relation to an Underlying Reference which is a basket, each of the components being represented by a number<sub>(i)</sub> ranging from 1 to n.

$$\sum_{k=1}^n W_{(k)} \times \text{Min} (\text{Maximum Component Level}_{(k)}; \text{Max}(\text{Minimum Component Level}_{(k)}; \text{Component Leverage}_{(k)} \times \text{Performance}_{i_{(k)}}))$$

With:

i from 1 to 8

$W_{(k)}$  = weighting corresponding to the k<sup>th</sup> basket component specified in the applicable Final Terms.

Each individual weighting can vary across time.

**Minimum Component Level<sub>(k)</sub>** = minimum level corresponding to the k<sup>th</sup> basket component specified in the applicable Final Terms.

**Maximum Component Level<sub>(k)</sub>** = maximum level corresponding to the k<sup>th</sup> basket component specified in the applicable Final Terms.

**Component Leverage<sub>(k)</sub>** = leverage corresponding to the k<sup>th</sup> basket component specified in the applicable Final Terms.

- **Lock-In Performance**

If the Price<sub>(i)</sub> or the Performance<sub>(i)</sub> at a Lock-In Performance Valuation Date<sub>(i)</sub> satisfies the Lock-In Performance Condition<sub>(i)</sub>, then Lock-In Redemption Level<sub>(i)</sub> is memorized and the Performance is defined as the highest of all the memorized Lock-In Redemption Levels<sub>(i)</sub>.

With:

**Lock-In Performance Valuation Date<sub>(i)</sub>** = the date specified as such in the applicable Final Terms corresponding to the date on which the Price or Performance is observed to determine whether it satisfies or not the Lock-In Performance Condition<sub>(i)</sub>.

**Lock-In Performance Condition<sub>(i)</sub>** = the condition expressed as strictly greater than OR greater or equal to OR strictly less than OR less than or equal to the corresponding Lock-In Performance Trigger Level<sub>(i)</sub>.

**Lock-In Performance Trigger Level<sub>(i)</sub>** = the value specified in the applicable Final Terms. It can be defined in absolute terms (e.g.: 2,000 points) or relative to a Price (e.g.: 70% of Initial Price).

**Lock-In Redemption Level<sub>(i)</sub>** = percentage of the Specified Denomination specified in the applicable Final Terms.

### 2.3 Definitions relating to Interests

- **Interest Period<sub>(i)</sub>**

For a Note with n Interest Periods, the Interest Period<sub>(i)</sub> is the i<sup>th</sup> Interest Period.

- **Rate<sub>(i)</sub>**



Rate applicable for the Interest Period<sub>(i)</sub> determined using the "Type of the Coupon" section below.

- ***Underlying Reference***<sub>(k)</sub>

In the case where there are m (m > 1) Underlying References, the Underlying Reference<sub>(k)</sub> is the k<sup>th</sup> Underlying Reference.

- ***Coupon Condition***<sub>(i,k)</sub>

The condition specified as such in the applicable Final Terms.

In the case where there are m Underlying References, the condition is satisfied either if all or only some – as specified in the applicable Final Terms – Prices<sub>(i,k)</sub> of the Underlying References<sub>(k)</sub> are strictly greater than OR greater than or equal to OR strictly less than OR less than or equal to – as specified in the applicable Final Terms – their respective Coupon Trigger Level<sub>(i,k)</sub>.

The condition can be an absolute condition (e.g. 2,500 points) or a relative condition to a Price (e.g. greater than 60% of the Simple Price on the Initial Observation Date) or a Performance.

- ***Coupon Valuation Date***<sub>(i)</sub>

The date specified as such in the applicable Final Terms being the date on which the Price or the Performance is observed to determine whether it satisfies or not a given condition.

- ***Coupon Valuation Period***<sub>(i)</sub>

The period specified as such in the applicable Final Terms being the period during which the Price or the Performance is observed to determine whether it satisfies or not a given condition.

- ***Coupon Trigger Level***<sub>(i,k)</sub>

The value specified as such in the applicable Final Terms.

It can be defined in absolute terms (e.g.: 2,000 points) or relative to a Price (e.g.: 70% of Initial Price) or a Performance.

- ***Conditional Rate***<sub>(i)</sub>

Rate specified in the applicable Final Terms. This is the rate that will be paid if the Coupon Condition<sub>(i)</sub> is met.

- ***Unconditional Rate***<sub>(i)</sub>

Rate specified in the applicable Final Terms. This is the rate that will be paid if the Coupon Condition<sub>(i)</sub> is not met.

## 2.4 Definitions relating to Payouts

- ***Indexation***

The percentage specified as such in the applicable Final Terms.

- ***Floor***

The percentage specified as such in the applicable Final Terms.

- ***Cap***

The percentage specified as such in the applicable Final Terms.

- ***Weight (k)***

The percentage related to the Underlying Reference k specified as such in the applicable Final Terms.

- ***Final Redemption Level***

The level specified as such in the applicable Final Terms.

- ***Redemption Rate<sub>(k)</sub>***

The Redemption Rate relative to Reference Entity<sub>(k)</sub> or Bond<sub>(k)</sub> as the case may be. It can be prefixed (i.e. the value is known before the issue and specified in the applicable Final Terms) or defined as a function of the Recovery Rate defined by ISDA (in case of Credit Linked Notes) or a function of the Bond Final Value determined by the Calculation Agent (in case of Bond Linked Notes).

The Recovery Rate defined by ISDA is defined via auctions, applicable for credit derivatives transaction for the debt securities issued by the Reference Entity allowing to determine the amount which would be exchanged according to the Reference Entity Credit Default Swap (CDS).

If no Credit Event or Bond Event, as the case may be, occurred on a Reference Entity<sub>(k)</sub> or a Bond<sub>(k)</sub>, the Redemption Rate<sub>(k)</sub> is 100%.

- ***Unwind Costs***

Amount determined by the Calculation Agent, equal to the sum (without duplication) of all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of Notes in the Specified Denomination.

## 2.5 Other definitions

- ***Minimum Level(i)***

The value expressed as such in the applicable Final Terms (which in respect of interests may be a Minimum Rate of Interest).

- ***Maximum Level(i)***

The value expressed as such in the applicable Final Terms (which in respect of interests may be a Maximum Rate of Interest).

- ***Leverage***

The value expressed as such in the applicable Final Terms.

### **3. INTERESTS**

This Part 3 of the Technical Annex applies to all Notes and Underlying References.

The applicable type of Coupon chosen from the list below will be specified in the applicable Final Terms.

The payment of such Coupon may also be subject to the Terms of Payment specified in the 3.2 below.

The Coupon may be calculated by combination of a Type of Coupon with one or several Term(s) of Payment.

#### **3.1 Type of Coupon**

The type of the Coupon can vary over time and/or can be combined i.e. more than one Type of Notes can apply during a single period if and as specified in the applicable Final Terms.

- ***Fixed Rate***

Please refer to the Condition 4.1 of the Terms and Conditions of the Notes

- ***Floating Rate***

Please refer to the Condition 4.2 of the Terms and Conditions of the Notes

- ***Fixed to Floating Rate***

Please refer to the Condition 4.3 of the Terms and Conditions of the Notes

- ***Fixed or Floating or Zero Coupon to Structured Rate***

Please refer to the Condition 4.4 of the Terms and Conditions of the Notes

- ***Combined Rate***

Please refer to the Condition 4.5 of the Terms and Conditions of the Notes

- ***Participative Coupon***

A Participative Coupon provides that the Notes pay a specified Interest Amount calculated using a Performance specified in the applicable Final Terms and equal to:

$$\text{Margin}(i) + \text{Performance}_{(i)}$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

**Margin<sub>(i)</sub>**: value specified in the applicable Final Terms.

- ***Internal Rate of Return Coupon***

An Internal Rate of Return Coupon provides that the Notes pay a specified Interest Amount calculated using an internal rate of return.

The relevant rate for the period<sub>(i)</sub> is equal to:

$(\text{Margin}_{(i)} + \text{Performance}_{(i)} + 1)^{1/T(i)} - 1$  For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

**Margin<sub>(i)</sub>**: value specified in the applicable Final Terms.

**T<sub>(i)</sub>**: value specified in the applicable Final Terms.

### 3.2 Terms of Payment

The following Terms of Payment are applicable to the Coupons defined in the paragraph "Type of Coupon" and can be cumulative and vary throughout the lifetime of the Notes.

The applicable Final Terms may specify that the Term of Payment paragraphs described hereunder can apply only if the Underlying Reference is a basket or only if it is a single entity.

Otherwise (*i.e.* in the absence of any specification), without any specification, it is applicable in both cases (*i.e.* whether the Underlying Reference is a single entity or a basket). Thus, for the avoidance of any doubt, if the subscript "k" appears in a Term of Payment paragraph and if the Underlying Reference is a single entity, the subscript should be omitted.

- ***Digital Coupon***

A Digital Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> calculated using the Digital Conditional Rate<sub>(i)</sub> if a specified Coupon Condition<sub>(i)</sub> is met. If the Coupon Condition<sub>(i)</sub> is not met, then the Note pays an Interest Amount<sub>(i)</sub> calculated using the Digital Unconditional Rate<sub>(i)</sub>.

The relevant rate for the period is determined by observing the Rate<sub>(i)</sub> together with the Coupon Condition<sub>(i)</sub> specified both in the applicable Final Terms:

If the Coupon Condition<sub>(i)</sub> is satisfied on the Coupon Valuation Date<sub>(i)</sub> or during the Coupon Valuation Period<sub>(i)</sub>, as applicable, then:

$$\text{Applicable rate for the Interest Period}_{(i)} = \text{Digital Conditional Rate}_{(i)}$$

If the Coupon Condition<sub>(i)</sub> is not satisfied on the Coupon Valuation Date<sub>(i)</sub> or during the Coupon Valuation Period<sub>(i)</sub>, as applicable, then:

$$\text{Applicable rate for the Interest Period}_{(i)} = \text{Digital Unconditional Rate}_{(i)}$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Digital Conditional Rate<sub>(i)</sub>** = the rate specified in the applicable Final Terms. This is the rate that will be paid if the Coupon Condition<sub>(i)</sub> is met.

**Digital Unconditional Rate<sub>(i)</sub>** = the rate specified in the applicable Final Terms. This is the rate that will be paid if the Coupon Condition<sub>(i)</sub> is not met.

- ***Ratchet Coupon***

A Ratchet Coupon provides that for each Interest Period<sub>(i)</sub> – other than the first Interest Period – the Note pays an Interest Amount<sub>(i)</sub> calculated using a rate which cannot be less than the rate used to determine the Coupon for the previous Interest Period<sub>(i-1)</sub>.

The applicable rate for the period<sub>(i)</sub> is equal to:

$$\text{Max}(\text{Rate}_{(i)} ; \text{Rate}_{(i-1)})$$

Rate<sub>(i-1)</sub> shall be determined in accordance with the Type of Coupon section and, as the case may be, the Terms of Payment as specified in the Final Terms.

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

- ***Range Coupon***

Applicable if there is only one Underlying Reference.

A Range Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> if the Price<sub>(i)</sub> or the Performance<sub>(i)</sub> of the Underlying Reference, at the Relevant Time, on the relevant Coupon Valuation Date<sub>(i)</sub> or during the relevant Coupon Valuation Period<sub>(i)</sub>, is within or equal to the Lower Barrier<sub>(i)</sub> and the Upper Barrier<sub>(i)</sub>.

The applicable rate for the period is equal to:

$$\text{Rate}_{(i)}$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Lower Barrier<sub>(i)</sub>** = value specified in the applicable Final Terms.

**Upper Barrier<sub>(i)</sub>** = value specified in the applicable Final Terms.

- ***Multi Range Coupon***

Applicable if there are *m* Underlying References<sub>(k)</sub>.

A Multi Range Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> only if all or only some of – as specified in the applicable Final Terms – the

Prices<sub>(i;k)</sub> or the Performances<sub>(i;k)</sub> of the m Underlying References<sub>(k)</sub>, at the Relevant Time, on the relevant Coupon Valuation Date<sub>(i)</sub> or during the relevant Coupon Valuation Period<sub>(i)</sub>, are within or equal to their respective Lower Barrier<sub>(i;k)</sub> and Upper Barrier<sub>(i;k)</sub>.

If the condition described hereunder is satisfied, the applicable rate for the period is equal to:

$$Rate_{(i)}$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Lower Barrier<sub>(i;k)</sub>** = value specified in the applicable Final Terms.

**Upper Barrier<sub>(i;k)</sub>** = value specified in the applicable Final Terms.

- ***Range Accrual Coupon***

Applicable if there is only one Underlying Reference.

A Range Accrual Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> weighted by the number of calendar days in the Interest Period<sub>(i)</sub> when the Price<sub>(i)</sub> or the Performance<sub>(i)</sub> of the Underlying Reference, at the Relevant Time, is within or equal to the Lower Barrier<sub>(i)</sub> and the Upper Barrier<sub>(i)</sub>.

If the condition described hereunder is satisfied, the applicable rate for the period is equal to:

$$Rate_{(i)} \times n/N$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**n**: actual number of calendar days in the Interest Period for which the Price or the Performance of the Underlying Reference, at the Relevant Time, is within or equal to the Lower Barrier and Upper Barrier.

**N**: actual number of calendar days in the Interest Period

**Lower Barrier<sub>(i)</sub>**: value specified in the applicable Final Terms.

**Upper Barrier<sub>(i)</sub>**: value specified in the applicable Final Terms.

- ***Multi Range Accrual Coupon***

Applicable if there are m Underlying References<sub>(k)</sub>.

A Multi Range Accrual Coupon provides that for each Interest Period<sub>(i)</sub>, the Notes pay an Interest Amount<sub>(i)</sub> weighted by the number of calendar days in the Interest Period<sub>(i)</sub> when the Prices<sub>(i;k)</sub> or the Performances<sub>(i;k)</sub> of all of or only some of the m Underlying References<sub>(k)</sub> – as specified in the applicable Final Terms – at the Relevant Time are within or equal to their respective Lower Barrier<sub>(i;k)</sub> and Upper Barrier<sub>(i;k)</sub>.

If the condition described hereunder is satisfied, the applicable rate for the period is equal to:

$$Rate_{(i)} \times n/N$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**n**: actual number of calendar days in the Interest Period for which all of or only some of the Prices or the Performances of the Underlying References, as specified in the applicable Final Terms, are within or equal to their respective Lower Barrier and Upper Barrier.

**N**: actual number of calendar days in the relevant Interest Period.

**Lower Barrier**<sub>(i;k)</sub>: value specified in the applicable Final Terms.

**Upper Barrier**<sub>(i;k)</sub>: value specified in the applicable Final Terms.

- ***Floater Coupon***

A Floater Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> equal to the Price<sub>(i)</sub> or Performance<sub>(i)</sub> of the Underlying Reference.

The applicable rate for the relevant period is equal to:

$$Rate_{(i)} = Margin_{(i)} + Leverage_{(i)} * Price_{(i)} \text{ or } Performance_{(i)}$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Margin**<sub>(i)</sub>: value specified in the applicable Final Terms.

**Leverage**<sub>(i)</sub>: value specified in the applicable Final Terms.

- ***Combination Floater Coupon***

A Combination Floater Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> equal to the sum of the Prices<sub>(i;k)</sub> or Performances<sub>(i;k)</sub> of m Underlying References.

The applicable rate for the relevant period is equal to:

$$Rate_{(i)} = Margin_{(i)} + \sum_{(k=1 \text{ to } m)} Leverage_{(i;k)} * Price_{(i;k)} \text{ or } Performance_{(i;k)}$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Margin**<sub>(i)</sub>: value specified in the applicable Final Terms.

**Leverage**<sub>(i;k)</sub>: value specified in the applicable Final Terms.

- ***Target Coupon***

A Target Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> calculated using the appropriate Rate<sub>(i)</sub>. If the sum of the Coupons paid reaches the Target Percentage<sub>(i)</sub> times the Specified Denomination, the Note is redeemed early on the Automatic Early Redemption Date<sub>(i)</sub> at the Automatic Early Redemption Amount<sub>(i)</sub>, otherwise the Note remains in existence.

The applicable rate for the period is equal to:

$$Rate_{(i)}$$

If the sum of the Coupons paid on a Note since the Issue Date is equal to the Target Percentage<sub>(i)</sub> times the Specified Denomination, the Note is redeemed early on the Automatic Early Redemption Date<sub>(i)</sub> at the Automatic Early Redemption Amount<sub>(i)</sub>, otherwise the Note remains in existence.

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Target Percentage<sub>(i)</sub>**: percentage specified in the applicable Final Terms. This value can be different for each Interest Period<sub>(i)</sub>.

- ***Reverse Floater Target Coupon***

A Reverse Floater Target Coupon provides that for each Interest Period<sub>(i)</sub>, the Notes pay an Interest Amount<sub>(i)</sub> calculated using a rate equal to a fixed rate minus the Rate<sub>(i)</sub>. If the sum of the Coupons paid reaches the Target Percentage<sub>(i)</sub> times the Specified Denomination, the Note is redeemed early on the Automatic Early Redemption Date<sub>(i)</sub> at the Automatic Early Redemption Amount<sub>(i)</sub>, otherwise the Note remains in existence.

The applicable rate for the period is equal to:

$$Fixed\ Rate_{(i)} - Rate_{(i)}$$

If the sum of the Coupons paid on a Note since the Issue Date is equal to the Target Percentage<sub>(i)</sub> times the Specified Denomination; the Note is redeemed early on the Automatic Early Redemption Date<sub>(i)</sub> at the Automatic Early Redemption Amount<sub>(i)</sub>, otherwise the Note remains in existence.

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Fixed Rate<sub>(i)</sub>**: percentage specified in the applicable Final Terms. This value can be different for each Interest Period<sub>(i)</sub>.

**Target Percentage<sub>(i)</sub>**: percentage specified in the applicable Final Terms.

- ***Forward Floater Coupon A***



A Forward Floater Coupon A provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> equal to:

$$\frac{DV01(x)_y * Rate(x) - DV01(z)_y * Rate(z)}{DV01(x)_y - DV01(z)_y} + Margin_{(i)}$$

For each period, the relevant Interest Amount<sub>(i)</sub> can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Margin<sub>(i)</sub>**: value specified in the applicable Final Terms.

**Maximum Level<sub>(i)</sub>**: value specified in the applicable Final Terms.

**Minimum Level<sub>(i)</sub>**: value specified in the applicable Final Terms.

**Leverage<sub>(i;k)</sub>**: value specified in the applicable Final Terms.

**Rate<sub>(x)</sub>**: value specified in the applicable Final Terms.

**Rate<sub>(z)</sub>**: value specified in the applicable Final Terms.

$$DV01_{(x)y} = \sum_{j=1}^x \frac{1}{(1+Rate(x))^j}$$

$$DV01_{(z)y} = \sum_{j=1}^z \frac{1}{(1+Rate(z))^j}$$

- ***Forward Floater Coupon B***

A Forward Floater Coupon B provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> equal to:

$$Rate(X) + Rate(X) \times (1 + Rate(X))^{T'} - Rate(Y) \times (1 + Rate(Y))^{T'} + Margin_{(i)}$$

For each period, the relevant Interest Amount<sub>(i)</sub> can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Margin<sub>(i)</sub>**: value specified in the applicable Final Terms.

**Maximum Level<sub>(i)</sub>**: value specified in the applicable Final Terms.

**Minimum Level<sub>(i)</sub>**: value specified in the applicable Final Terms.

**Leverage<sub>(i;k)</sub>**: value specified in the applicable Final Terms.

**Rate(X)**: value specified in the applicable Final Terms.

**Rate(Y)**: value specified in the applicable Final Terms.

**T**: value specified in the applicable Final Terms.

**T'**: value specified in the applicable Final Terms.

- ***Lock-In Coupon***

A Lock-In Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> determined using one or more of the formulas relative to the Type of Coupon and Terms of Payment.

However, if the Price<sub>(i,k)</sub> of all or only some – as specified in the applicable Final Terms – Underlying References<sub>(k)</sub> or the Performance<sub>(i,k)</sub> of all or only some – as specified in the applicable Final Terms – Underlying References<sub>(k)</sub> observed on a Lock-In Coupon Valuation Date<sub>(i)</sub> satisfies once the Lock-In Coupon Condition<sub>(i,k)</sub>, the payment of all the following Coupons will be at the specified Lock-In Rate<sub>(i)</sub>.

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Lock-In Rate<sub>(i)</sub>**: rate specified in the applicable Final Terms.

**Lock-In Coupon Condition<sub>(i,k)</sub>**: strictly greater than OR greater or equal to OR strictly less than OR less than or equal to the corresponding Lock-In Coupon Trigger Level.

**Lock-In Coupon Trigger Level<sub>(i,k)</sub>**: value specified in the applicable Final Terms. It can be defined in absolute terms (e.g.: 2,000 points) or relative to a Price (e.g.: 70% of Initial Price) or a Performance.

**Lock-In Coupon Valuation Date<sub>(i)</sub>**: date specified in the applicable Final Terms. Date on which the Price or Performance of the Underlying Reference is observed to determine whether it satisfies or not the Lock-In Coupon Condition.

- ***Conditional Coupon***

A Conditional Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> only if for all Underlying References<sub>(k)</sub> or only for some Underlying References<sub>(k)</sub> – as specified in the applicable Final Terms –, the Price<sub>(i,k)</sub> of Underlying Reference<sub>(k)</sub> or the Performance<sub>(i,k)</sub> of Underlying Reference<sub>(k)</sub> satisfies a given Coupon Condition<sub>(i,k)</sub>.

If on a Coupon Valuation Date<sub>(i)</sub>, the Prices<sub>(i,k)</sub> of all or only some – as specified in the applicable Final Terms – Underlying References<sub>(k)</sub> or the Performances<sub>(i,k)</sub> of all or only some – as specified in the applicable Final Terms – Underlying References<sub>(k)</sub> satisfy the Coupon Condition<sub>(i,k)</sub>, the applicable Rate<sub>(i)</sub> for the period is equal to the Conditional Rate<sub>(i)</sub> defined in the applicable Final Terms.

Otherwise the applicable rate is the Unconditional Rate<sub>(i)</sub> defined in the applicable Final Terms.

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

- ***Conditional Coupon With Lock-In***

A Conditional Coupon With Lock-In provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> only if for all Underlying References<sub>(k)</sub> or only for some Underlying References<sub>(k)</sub> – as specified in the applicable Final Terms –, the Price<sub>(i,k)</sub> of Underlying Reference<sub>(k)</sub> or the Performance<sub>(i,k)</sub> of Underlying Reference<sub>(k)</sub> satisfies a given Coupon Condition<sub>(i,k)</sub>.

However, if the Price<sub>(i,k)</sub> of all or only some – as specified in the applicable Final Terms – Underlying References<sub>(k)</sub> or the Performance<sub>(i,k)</sub> of all or only some – as specified in the applicable Final Terms – Underlying References<sub>(k)</sub> observed on a Lock-In Coupon Valuation Date<sub>(i)</sub> satisfied once the Lock-In Coupon Condition<sub>(i,k)</sub>, the payment of all the following Coupons are guaranteed at the specified Conditional Rate<sub>(i)</sub>.

All the provisions described above regarding a Conditional Coupon apply, adding that, if the Prices<sub>(i,k)</sub> of all or only some – as specified in the applicable Final Terms – Underlying References<sub>(k)</sub> or the Performances<sub>(i,k)</sub> of all or only some – as specified in the applicable Final Terms – Underlying References<sub>(k)</sub> at a Lock-In Coupon Valuation Date<sub>(i)</sub> satisfy the Lock-In Coupon Condition<sub>(i,k)</sub>, then the applicable rate for the period is equal to the Conditional Rate<sub>(i)</sub> defined in the applicable Final Terms and the payments of all the following Coupons are guaranteed at the specified Conditional Rate<sub>(i)</sub>.

Otherwise, the mechanism of the Conditional Coupon applies and the applicable rate is the Unconditional Rate<sub>(i)</sub> defined in the applicable Final Terms.

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

With:

**Lock-In Coupon Condition<sub>(i,k)</sub>**: strictly greater than OR greater or equal to OR strictly less than OR less than or equal to the corresponding Lock-In Coupon Trigger Level.

**Lock-In Coupon Trigger Level<sub>(i,k)</sub>**: value specified in the applicable Final Terms. It can be defined in absolute terms (e.g.: 2,000 points) or relative to a Price (e.g.: 70% of Initial Price) or a Performance.

**Lock-In Coupon Valuation Date<sub>(i)</sub>**: date specified in the applicable Final Terms. Date on which the Price or Performance of the Underlying Reference is observed to determine whether it satisfies or not the Lock-In Coupon Condition.

- ***Conditional Coupon With Memory Effect***

A Conditional Coupon With Memory Effect provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> only if for all Underlying References<sub>(k)</sub> or only for some Underlying References<sub>(k)</sub> – as specified in the applicable Final Terms –, the Price<sub>(i,k)</sub> of Underlying Reference<sub>(k)</sub> or the Performance<sub>(i,k)</sub> of Underlying Reference<sub>(k)</sub> satisfies a given Coupon Condition<sub>(i,k)</sub>.

However, a Coupon which has not been paid because a relevant Coupon Condition<sub>(i,k)</sub> has not been satisfied, is memorized and can be paid later if the applicable Coupon Conditions<sub>(i,k)</sub> are satisfied in the future.

All the provisions described above regarding a Conditional Coupon apply, except that the relevant Rate<sub>(i)</sub> for the period is equal to

$$\sum_{i-1}^n Rate_{(i)} - \sum_{i-1}^n Rate_{(i)} \text{ relative to the Coupons that have been paid}$$

For each period, the relevant rate can always be subject to a Minimum Level<sub>(i)</sub>, a Maximum Level<sub>(i)</sub> and a Leverage<sub>(i)</sub>.

- **Capitalized Coupon**

A Capitalized Coupon provides that the Note pays a specified interest aggregated and paid only on the Maturity Date.

In the case "Capitalized Coupon" is specified in the applicable Final Terms, the Coupons the Noteholder is entitled to receive are aggregated and paid only on the Maturity Date.

- **Graded Rate Coupon**

Applicable if the Note is a Credit Linked Note or a Bond Linked Note.

A Graded Rate Coupon provides that for each Interest Period<sub>(i)</sub>, the Note pays an Interest Amount<sub>(i)</sub> that can decrease due to the occurrence of a Credit Event on a Reference Entity or a Bond Event on a Bond.

In the case a Credit Event occurs on a Reference Entity<sub>(k)</sub> or a Bond Event occurs on a Bond<sub>(k)</sub> during the Interest Period<sub>(i)</sub>, the applicable rate for the Interest Period<sub>(i)</sub> and for all the following periods decreases according to a schedule specified in the applicable Final Terms.

### 3.3 Provisions relating to averaging

Applicable if there are m Underlying References<sub>(k)</sub>. If:

- *Averaging* is specified in the Final Terms in the section "Provisions relating to Interests", whether a condition regarding the Interests is satisfied or not should be determined by observing the simple or weighted average of the Prices<sub>(i,k)</sub> or of the Performances<sub>(i,k)</sub>, as specified in the applicable Final Terms.
- *Best-Of* is specified in the Final Terms in the section "Provisions relating to Interests", whether a condition regarding the Interests is satisfied or not should be determined by observing the best performing Underlying Reference<sub>(k)</sub>.
- *Worst-Of* is specified in the Final Terms in the section "Provisions relating to Interests", whether a condition regarding the Interests is satisfied or not should be determined by observing the worst performing Underlying Reference<sub>(k)</sub>.

## 4. PAYOUTS

### 4.1 Payouts applicable to all Notes except Credit Linked Notes or Bond Linked Notes

This Part 4.1 of the Technical Annex applies to all Notes, except Credit Linked Notes and Bond Linked Notes.

The Payouts described hereunder apply both where the Underlying Reference is a single entity as well as where the Underlying Reference is a basket. For the avoidance of any doubt, if the subscript

"k" appears in a Payout paragraph and if the Underlying Reference is single, the subscript should be omitted.

## **REVERSE CONVERTIBLE**

### ***Reverse Convertible with European Barrier***

If no Knock-In Event has occurred, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times \text{Final Redemption Level}$$

Otherwise:

If the Notes are settled in cash, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times (1 + \text{Performance})$$

If the Notes are physically settled, the Notes will be redeemed in shares of the Underlying Reference according to the following Formula:

$$\text{Number of shares (k) per Specified Denomination} = \text{Weight (k)} * \text{Specified Denomination} / (\text{Indexation} \times \text{Initial Price})$$

Any fraction of a share being paid in cash.

### ***Reverse Convertible with American Barrier***

If no Knock-In Event has occurred during the Knock-In Determination Period or if a Knock-In Event has occurred and the Final Price of the Underlying Reference is greater than or equal to the Initial Price of the Underlying Reference, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times \text{Final Redemption Level}$$

Otherwise:

If a Knock-In Event has occurred and the Final Price of the Underlying Reference is strictly below the Initial Price:

If the Notes are settled in cash, the Notes will be redeemed according to the following Formula

$$\text{Specified Denomination} \times (1 + \text{Performance})$$

If the Notes are physically settled, the Notes will be redeemed in shares of the Underlying Reference according to the following Formula:

$$\text{Number of shares (k) per Specified Denomination} = \text{Weight (k)} * \text{Specified Denomination} / (\text{Indexation} \times \text{Initial Price})$$

Any fraction of a share being paid in cash.

### ***Generic Reverse with European Barrier***

If no Knock-In Event has occurred, the Notes will be redeemed according to the following Formula:

Specified Denomination x Final Redemption Level

Otherwise:

the Notes will be redeemed according to the following Formula:

Specified Denomination  $\times$  MAX [ 1 + Indexation \* Min (0, Performance – 1), Floor]

### ***Generic Short Call Spread***

If no Knock-In Event has occurred, the Notes will be redeemed according to the following Formula:

Specified Denomination  $\times$  Final Redemption Level

Otherwise:

the Notes will be redeemed according to the following Formula:

Specified Denomination  $\times$  [ 100% - Min [ 100% , Indexation \* Max (0, Performance – 1)]]

### ***Lock-In***

In case of Lock-In coupon (see definition in paragraph 3.2 Terms of Payment)

If Lock-in Event has occurred, the Notes will be redeemed according to the following Formula:

Specified Denomination  $\times$  Lock-In Redemption Level

Otherwise:

If no Knock-In Event has occurred, the Notes will be redeemed according to the following Formula:

Specified Denomination  $\times$  Final Redemption Level

Else

the Notes will be redeemed according to the following Formula:

Specified Denomination  $\times$  MAX [ 1 + Indexation \* Min (0, Performance – 1), Floor]

*Lock-In Redemption Level* is specified in the applicable Final Terms.

## **AUTOCALL**

### ***Autocall with European Barrier***

*Coupons:* Paid unless the Notes have been early redeemed (in which case no more Coupons are paid).

*Automatic Early Redemption:* If, at any Automatic Early Redemption Valuation Date<sub>(i)</sub>, all of or only some of – as specified in the applicable Final Terms – the Intermediate Price<sub>(i;k)</sub> are greater than or equal to the Automatic Early Redemption Price<sub>(i;k)</sub>, the Notes will be automatically redeemed on the relevant Automatic Early Redemption Date<sub>(i)</sub> at the Automatic Early Redemption Amount<sub>(i;k)</sub>.

*Final Redemption:* If the Notes have not been early redeemed:

If no Knock-In Event has occurred, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times \text{Final Redemption Level}$$

Otherwise:

If the Notes are settled in cash, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times (1 + \text{Performance})$$

If the Notes are physically settled, the Notes will be redeemed in shares of the Underlying Reference according to the following Formula:

*Number of shares (k) per Specified Denomination = Weight (k) \* Specified Denomination / (Indexation x Initial Price)* Any fraction of a share being paid in cash.

#### ***Autocall with American Barrier***

*Coupons:* Paid unless the Notes have been early redeemed (in which case no more Coupons are paid).

*Automatic Early Redemption:* If, at any Automatic Early Redemption Valuation Date<sub>(i)</sub>, all of or only some of – as specified in the applicable Final Terms – the Intermediate Price<sub>(i;k)</sub> are greater than or equal to the Automatic Early Redemption Price<sub>(i;k)</sub>, the Notes will be automatically redeemed on the relevant Automatic Early Redemption Date<sub>(i)</sub> at the Automatic Early Redemption Amount<sub>(i;k)</sub>.

*Final Redemption:* If the Notes have not been early redeemed:

If no Knock-In Event has occurred or if a Knock-In Event has occurred and the Final Price of the Underlying Reference is greater than or equal to the Initial Price of the Underlying Reference, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times \text{Final Redemption Level}$$

Otherwise:

If a Knock-In Event has occurred and the Final Price of the Underlying Reference is strictly below the Initial Price of the Underlying Reference:

If the Notes are settled in cash, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times (1 + \text{Performance})$$

If the Notes are physically settled, the Notes will be redeemed in shares of the Underlying Reference according to the following Formula:

*Number of shares (k) per Specified Denomination = Weight (k) \* Specified Denomination / (Indexation x Initial Price)* Any fraction of a share being paid in cash.

### **CALLABLE STABILITY**

*Coupons:* Paid unless a Knock-In Event or Callable Event has occurred (in which case no more Coupons are paid).

*Knock-In Event:* If, at anytime during the Knock-In Determination Period, all of or only some of – as specified in the applicable Final Terms – the Underlying References<sub>(k)</sub> have once traded below the Knock-In Level<sub>(k)</sub> (continuous observation basis), the Notes will be redeemed as follows:

If the Notes are settled in cash, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times \text{Knock-In Level}_{(k)}$$

If the Notes are physically settled, the Notes will be redeemed in shares of the Underlying Reference according to the following Formula:

*Number of shares (k) per Specified Denomination = Weight (k) \* Specified Denomination / (Indexation x Initial Price)* Any fraction of a share being paid in cash.

The accrued Coupon will be paid in cash for amount determined as follows:

$$\text{Specified Denomination} \times \text{Rate}_{(i)} \times D / 360$$

*Callable Event:*

On each Interest Payment Date<sub>(i)</sub>, the Issuer has the right to redeem the structure, while respecting a 2 Business Day Notice Period, at the following amount:

$$\text{Specified Denomination} \times [1 + \text{Rate}_{(i)} \times \text{Nb Days} / 360]$$

*Final Redemption:*

Unless a Knock-In Event or Callable Event has occurred, at anytime during the Observation Period (continuous observation basis), the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times \text{Final Redemption Level}$$

With:

**Nb Days** = The number of days per Interest Period

**D** = Number of calendar days from and including the last Interest Payment Date preceding the occurrence of the Knock-in Event to but excluding the Early Redemption Date.

### **CALL**

If the Notes are settled in cash, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times (\text{Indexation} + \text{Performance})$$



If the Notes are physically settled, the Notes will be redeemed in shares of the Underlying Reference according to the following Formula:

$$\text{Number of shares (k) per Specified Denomination} = \text{Weight (k)} * \text{Specified Denomination} / (\text{Indexation} * \text{Initial Price})$$

Any fraction of a share being paid in cash.

## **BONUS CERTIFICATE**

### ***Bonus Certificate with European Barrier***

If no Knock-In Event has occurred, the Notes will be redeemed on the Maturity Date according to the following Formula:

$$\text{Specified Denomination} * (1 + \text{Max}(\text{Bonus}; \text{Performance}))$$

Otherwise:

If the Notes are settled in cash, the Notes will be redeemed on the Maturity Date according to the following Formula:

$$\text{Specified Denomination} * (1 + \text{Max}(\text{Bonus}; \text{Performance}))$$

If the Notes are physically settled, the Notes will be redeemed on the Maturity Date in shares of the Underlying Reference according to the following Formula:

$$\text{Number of shares (k) per Specified Denomination} = \text{Weight (k)} * \text{Specified Denomination} / (\text{Indexation} * \text{Initial Price})$$

Any fraction of a share being paid in cash.

**Bonus** = percentage specified in the applicable Final Terms.

### ***Bonus Certificate with American Barrier***

If no Knock-In Event has occurred or if a Knock-In Event has occurred and the Final Price of the Underlying Reference is greater than or equal to the Initial Price of the Underlying Reference, the Notes will be redeemed on the Maturity Date according to the following Formula:

$$\text{Specified Denomination} * (1 + \text{Max}(\text{Bonus}; \text{Performance}))$$

Otherwise:

If a Knock-In Event has occurred and the Final Price of the Underlying Reference is strictly below the Initial Price of the Underlying Reference:

If the Notes are settled in cash, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} * (1 + \text{Performance})$$

If the Notes are physically settled, the Notes will be redeemed in shares of the Underlying Reference according to the following Formula:

$$\text{Number of shares (k) per Specified Denomination} = \text{Weight (k)} * \text{Specified Denomination} / (\text{Indexation} * \text{Initial Price})$$

Any fraction of a share being paid in cash.

## SHARK

If a Knock-Out Event has occurred, the Notes will be redeemed according to the following Formula:

$$\text{Specified Denomination} \times [\text{Final Redemption Level} + \text{Rebate}]$$

Otherwise, the Notes will be redeemed in cash according to the following Formula:

$$\text{Specified Denomination} \times [1 + \text{Performance}]$$

**Rebate** = percentage specified in the applicable Final Terms.

## HIMALAYA

On Maturity Date, the holder receives a Final Redemption Amount determined in accordance with the following Formula:

$$\text{Final Redemption Level} \times [1 + \text{Max} (1/n \times \sum \text{FrozenPerformance}(ti); \text{Floor})]$$

With:

**Frozen Performance(ti)**: On each Interest Period<sub>(i)</sub> the best performing Underlying Reference has its performance frozen.

This frozen Underlying Reference's Performance is not computed anymore in future years.

**n**: Number of Underlying References

## LADDER CALL SPREAD

*Lock-In Mechanism*: On each Lock-In Ladder Call Spread Valuation Date<sub>(i)</sub> or during each Lock-In Ladder Call Spread Valuation Period<sub>(i)</sub> as applicable, the Performance<sub>(i)</sub> is computed or the Price<sub>(i)</sub> is observed as specified in the applicable Final Terms. This Performance<sub>(i)</sub> or Price<sub>(i)</sub> is compared to the corresponding Lock-In Ladder Call Spread Trigger Level<sub>(i)</sub>. If it is strictly greater than OR greater or equal to OR strictly less than OR less than or equal to the corresponding Lock-In Ladder Call Spread Trigger Level<sub>(i)</sub>, this Lock-In Ladder Call Spread Trigger Level<sub>(i)</sub> is locked. On the Final Observation Date, the highest Lock-In Ladder Call Spread Trigger Level that has been locked is defined as the Final Lock-In Level.

*Final Redemption*: If one of the Lock-In Ladder Call Spread Trigger Levels<sub>(i)</sub> has been reached throughout the life of the Notes or if no Knock-In Event has occurred, the Notes are redeemed according to the following Formula:

$$\text{Specified Denomination} \times [1 + \text{Max} (\text{Min} (\text{Cap Level}; \text{Performance}); \text{Final Lock-In Level})]$$

Otherwise, the Notes are redeemed according to the following Formula:

$$\text{Specified Denomination} \times (1 + \text{Performance})$$

With:

**Lock-In Ladder Call Spread Condition** = strictly greater than OR greater or equal to OR strictly less than OR less than or equal to the corresponding Lock-In Ladder Call Spread Trigger Level.

**Lock-In Ladder Call Spread Trigger Level** = Value specified in the applicable Final Terms. It can be defined in absolute terms or relative to a Price or a Performance.

**Lock-In Ladder Call Spread Valuation Date** = Specified in the applicable Final Terms. Date on which the level of the Underlying Reference is observed to determine whether it satisfies the Lock-In Ladder Call Spread Condition.

**Lock-In Ladder Call Spread Valuation Period** = Specified in the applicable Final Terms. Period during which the level of the Underlying Reference is observed to determine whether it satisfies the Lock-In Ladder Call Spread Condition.

**Cap Level** = rate specified in the applicable Final Terms.

## MOUNTAIN RANGE

Applicable if there are m Underlying References<sub>(k)</sub> in the Basket / Index.

If no Knock-In Event has occurred:

$$\text{Final Redemption Amount} = \text{Specified Denomination}$$

If a Knock-In Event has occurred:

$$\text{Final Redemption Amount}$$

=

$$\text{Specified Denomination} \times \left[ 100\% - \frac{1}{H - L} \times \text{Min}(H - L; \text{Max}(N - L; 0)) \right]$$

Where:

**L** is the lower level of the Basket /Index - expressed as a number of Knock-In Events - as specified in the applicable Final Terms.

**H** is the higher level of the Basket /Index - expressed as a number of Knock-In Events - as specified in the applicable Final Terms.

**N** is the number of Knock-In Events that have occurred.

## 4.2 Provisions relating to averaging

In case the Note is indexed on m Underlying References<sub>(k)</sub>, if:

- *Averaging* is specified in the Final Terms in the section "Provisions relating to Payouts", the redemption of the Notes and the application of the redemption Formula should be determined by observing the simple or weighted average of the Prices<sub>(i;k)</sub> or of the Performances<sub>(i;k)</sub> – as specified in the applicable Final Terms.
- *Best-Of* is specified in the Final Terms in the section "Provisions relating to Payouts", the redemption of the Notes and the application of the redemption Formula should be determined by observing the best performing Underlying Reference<sub>(k)</sub>.

- *Worst-Of* is specified in the Final Terms in the section "Provisions relating to Payouts", the redemption of the Notes and the application of the redemption Formula should be determined by observing the worst performing Underlying Reference<sub>(k)</sub>.

### 4.3 Payouts applicable to Credit Linked Notes

This Part 4.3 of the Technical Annex applies to Credit Linked Notes only.

#### Credit Linked Notes Early Redeemed

In the absence of a Knock-Out Event:

$$\text{Final Redemption Amount} = \text{Specified Denomination}$$

If a Knock-Out Event took place:

$$\text{Final Redemption Amount} = \text{Specified Denomination} \times \text{Redemption Rate} + \text{Unwind Costs}$$

In the case where a Knock-Out Event occurred, the redemption will take place 5 Business Days after the date on which the Recovery Rate has been determined by ISDA.

#### Credit Linked Notes Redeemed at Maturity

In the absence of a Knock-Out Event:

$$\text{Final Redemption Amount} = \text{Specified Denomination}$$

If a Knock-Out Event took place:

$$\text{Final Redemption Amount} = \text{Specified Denomination} \times \text{Redemption Rate}$$

In the case where a Knock-Out Event occurred, the Redemption will take place on the Maturity Date.

#### Guaranteed Credit Linked Notes

In the absence of a Knock-Out Event:

$$\text{Final Redemption Amount} = \text{Specified Denomination} \times [1 + \text{Rate}_{(i)} \times \text{Day Count Fraction}]$$

If a Knock-Out Event took place:

$$\text{Final Redemption} = \text{Specified Denomination}$$

#### Basket/Index Credit Linked Notes

Applicable if there are m Underlying References<sub>(k)</sub> in the basket/credit index. In the absence of a Knock-Out Event:

$$\text{Final Redemption Amount} = \text{Specified Denomination}$$

If a Knock-Out Event took place:

$$\text{Final Redemption Amount} = \text{Specified Denomination} \times \frac{\sum_{k=1}^m \text{Redemption Rate}_{(k)}}{m}$$

### **Leverage Basket/Index Credit Linked Notes**

Applicable if there are  $m$  Underlying References<sub>(k)</sub> in the basket/credit index and there is levered exposure to the basket / credit index. In the absence of a Knock-Out Event:

$$\text{Final Redemption Amount} = \text{Specified Denomination}$$

If a Knock-Out Event took place:

$$\text{Final Redemption Amount} = \text{Specified Denomination} \times \text{Max} [ 0\%; 100\% - \frac{\sum_{k=1}^m \text{Leverage}_{(k)} * (1 - \text{Redemption Rate}_{(k)})}{m} ] + \text{Unwind costs}$$

### **Index Tranche Credit Linked Notes**

Applicable if there are  $m$  Underlying References<sub>(k)</sub> in the index tranche.

In the absence of a Knock-Out Event:

$$\text{Final Redemption Amount} = \text{Specified Denomination}$$

If a Knock-Out Event took place:

$$\text{Final Redemption Amount}$$

=

$$\text{Specified Denomination} \times \left[ 100\% - \frac{1}{H - L} * \text{Min}(H - L; \text{Max}(N - L; 0)) \right]$$

Where:

**L** is the lower level of the index tranche - expressed as a number of Reference Entities - as specified in the applicable Final Terms.

**H** is the higher level of the index tranche - expressed as a number of Reference Entities - as specified in the applicable Final Terms.

**N** is the number of Reference Entities that have suffered a Credit Event during the Knock-Out Period.

### **n<sup>th</sup> to Default Credit Linked Notes Early Redeemed**

Applicable if there are  $m$  Underlying References<sub>(k)</sub> in the basket/credit index

In the absence of a Knock-Out Event:

$$\text{Final Redemption Amount} = \text{Specified Denomination}$$

If a Knock-Out took place:

$$\text{Final Redemption Amount} = \text{Specified Denomination} \times \text{Redemption Rate}_{(z)} + \text{Unwind costs}$$

For the avoidance of doubt, the Redemption Rate<sub>(z)</sub> is the Redemption Rate relating to the zth Reference Entity that has undergone a Credit Event, z being a number specified in the applicable Final Terms.

In the case where a Knock-Out Event occurred, the redemption will take place 5 Business Days after the date on which the Recovery Rate has been determined by ISDA.

#### **n<sup>th</sup> to Default Credit Linked Notes Redeemed at Maturity**

Applicable if there are m Underlying References<sub>(k)</sub> in the basket/credit index

In the absence of a Knock-Out Event:

$$\text{Final Redemption Amount} = \text{Specified Denomination}$$

If a Knock-Out took place:

$$\text{Final Redemption Amount} = \text{Specified Denomination} \times \text{Redemption Rate}_{(k)}$$

For the avoidance of any doubt, the Redemption Rate<sub>(z)</sub> is the Redemption Rate relating to the zth Reference Entity that has undergone a Credit Event, z being a number specified in the applicable Final Terms.

#### ***Generic Reverse with European Barrier***

If no Knock-In Event has occurred, the Notes will be redeemed according to the following Formula:

Specified Denomination x Final Redemption Level

Otherwise:

the Notes will be redeemed according to the following Formula:

Specified Denomination × MAX [ 1 + Indexation \* Min (0, Performance – 1), Floor]

#### ***Generic Short Call Spread***

If no Knock-In Event has occurred, the Notes will be redeemed according to the following Formula:

Specified Denomination x Final Redemption Level

Otherwise:

the Notes will be redeemed according to the following Formula:

Specified Denomination × [ 100% - Min [ 100% , Indexation \* Max (0, Performance – 1)]]

#### 4.4 Payouts applicable to Bond Linked Notes

This Part 4.4 of the Technical Annex applies to Bond Linked Notes only.

##### **Bond Linked Notes Redeemed at Maturity**

In the absence of a Knock-Out Event:

$$\textit{Final Redemption Amount} = \textit{Specified Denomination}$$

If a Knock-Out Event took place:

$$\textit{Final Redemption Amount} = \textit{Specified Denomination} \times \textit{Redemption Rate}$$

In the case where a Knock-Out Event occurred, the Redemption will take place on the Maturity Date.

##### **Guaranteed Bond Linked Notes**

In the absence of a Knock-Out Event:

$$\textit{Final Redemption Amount} = \textit{Specified Denomination} \times [1 + \textit{Rate}_{(i)} \times \textit{Day Count Fraction}]$$

If a Knock-Out Event took place:

$$\textit{Final Redemption} = \textit{Specified Denomination}$$

##### **Basket Bond Linked Notes**

Applicable if there are  $m$  Bonds<sub>(k)</sub> in the basket. In the absence of a Knock-Out Event:

$$\textit{Final Redemption Amount} = \textit{Specified Denomination}$$

If a Knock-Out Event took place:

$$\textit{Final Redemption Amount} = \textit{Specified Denomination} \times \frac{\sum_{k=1}^m \textit{Redemption Rate}_{(k)}}{m}$$

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.



## DESCRIPTION OF THE ISSUER

Information on the Issuer is set out in the Issuer's *Document de Référence* filed with the *Autorité des marchés financiers* under n° D.19-0362 on 18 April 2019, an English translation of which is incorporated herein by reference. (Please refer to the cross reference list on pages 71 to 73).

### Composition of the *conseil d'administration* (board of directors)

At the date of this Base Prospectus, the *conseil d'administration* is comprised of the following members:

Name, surname, professional address and age	Title	Duration of term of office
<p><b>NICOLAS THERY</b></p> <p><i>Business address:</i> Crédit Industriel et Commercial 6 avenue de Provence - 75009 Paris</p> <p><i>Born:</i> December 22<sup>nd</sup>, 1965</p>	<p><i>Président du Conseil d'Administration</i></p> <p><i>Administrateur</i></p> <p>and</p> <p><i>Président Directeur Général du CIC Est, Président de la Caisse Fédérale de Crédit Mutuel, Président de la Banque Fédérative du Crédit Mutuel, Président du Directoire Groupe des Assurances du Crédit Mutuel, Président du Conseil de Surveillance Banque européenne du Crédit Mutuel, Président de la Confédération Nationale du Crédit Mutuel et Président de la Fédération du Crédit Mutuel Centre Est Europe</i></p>	<p>Five years</p>
<p><b>DANIEL BAAL</b></p> <p><i>Business address:</i> 6 avenue de Provence 75009 Paris</p> <p><i>Born:</i> December 27<sup>th</sup>, 1957</p>	<p><i>Directeur général</i></p> <p>and</p> <p><i>Directeur général de la Caisse fédérale de Crédit Mutuel, de la Fédération du Crédit Mutuel Centre Est Europe, de la Banque Fédérative du Crédit Mutuel</i></p>	<p>Six years</p>
<p><b>CATHERINE MILLET</b></p> <p><i>Business address:</i> CM-CIC Services 34 rue du Wacken – 67000 Strasbourg</p> <p><i>Born:</i> July 31<sup>st</sup>, 1960</p>	<p><i>Administrateur</i></p> <p>and</p> <p><i>Directeur Général CM-CIC Services</i></p>	<p>Six years</p>
<p><b>LA BANQUE FEDERATIVE DU CREDIT MUTUEL</b></p>	<p><i>Administrateur</i></p> <p>and</p>	<p>Six years</p>

Name, surname, professional address and age	Title	Duration of term of office
34 rue du Wacken - 67000 Strasbourg <i>représentée par Catherine Allonas-Barthe</i>	<i>Directeur Général Adjoint ACM</i>	
<b>WILLIAM PAILLET</b> <i>Business address:</i> Banque CIC Est 3 Rue des Coutures - 77200 Torcy  <i>Born:</i> April 3 <sup>rd</sup> , 1958	<i>Administrateur représentant les salariés</i>	Six years
<b>SEGOLENE DENAVIT</b> <i>Business address:</i> CIC Lyonnaise de Banque 80 cours de la Liberté – 69003 Lyon  <i>Born:</i> July 27th, 1980	<i>Administrateur représentant les salariés</i>	Six years
<b>JEAN-FRANCOIS JOUFFRAY</b> <i>Business address:</i> Crédit Mutuel Ile-de-France 18, rue de La Rochefoucauld – 75439 PARIS Cedex 09  <i>Born:</i> June 18 <sup>th</sup> , 1948	<i>Administrateur</i>  and <i>Vice-Président de la Fédération du Crédit Mutuel Ile-de-France</i>	Seven years
<b>ÉRIC CHARPENTIER</b> <i>Business address:</i> Crédit Mutuel Nord Europe 4 place Richebé – 59800 LILLE  <i>Born:</i> October 6 <sup>th</sup> , 1960	<i>Administrateur</i>  and <i>Directeur général du Crédit Mutuel Nord Europe</i>	Six years

### Major Shareholders

As far as the Issuer is aware, as at the date of this Base Prospectus, Banque Fédérative du Crédit Mutuel (**BFCM**), a 93 per cent. subsidiary of the Caisse Fédérale de Crédit Mutuel, directly held 93.14 per cent. of the share capital of the Issuer and indirectly held a further 6.25 per cent. through its 90 percent. subsidiary, Mutuelles Investissement.

### Selected Financial Information of the Issuer

Results (in € millions)		
	<b>31/12/2017</b>	<b>31/12/2018</b>

<b>Results (in € millions)</b>		
Total Assets	264,840	294,704
Shareholders' Equity – Group share	15,058	15,052
Shareholders' Equity – Non-controlling interests	65	49
Net banking income	4,991	5,021
Operating income	1,685	1,664
Income tax	(551)	(494)
Net profit/(loss)	1,288	1,395
Net profit/(loss) attributable to the Group	1,275	1,385

## TAXATION

**THE FOLLOWING IS A GENERAL DESCRIPTION OF CERTAIN TAX CONSIDERATIONS RELATING TO THE NOTES. IT DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS RELATING TO THE NOTES. PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO WHICH COUNTRIES' TAX LAWS COULD BE RELEVANT TO ACQUIRING, HOLDING AND DISPOSING OF NOTES AND RECEIVING PAYMENTS OF INTEREST, PRINCIPAL AND/OR OTHER AMOUNTS UNDER THE NOTES AND THE CONSEQUENCES OF SUCH ACTIONS UNDER THE TAX LAWS OF THOSE COUNTRIES. THIS DESCRIPTION IS BASED UPON THE LAW AS IN EFFECT ON THE DATE OF THIS BASE PROSPECTUS AND IS SUBJECT TO ANY CHANGE IN LAW AND/OR INTERPRETATION THEREOF THAT MAY TAKE EFFECT AFTER SUCH DATE (POTENTIALLY WITH A RETROACTIVE EFFECT).**

### FRANCE

#### *Withholding taxes on payments made outside France*

*The following is an overview of certain withholding tax consequences in relation to the ownership of the Notes that may be relevant to Noteholders who do not hold shares of the Issuer.*

*Notes which are not consolidated (assimilables for the purpose of French law) with notes issued before 1 March 2010*

Payments of interest and other revenues made by the Issuer with respect to Notes issued on or after 1 March 2010 (other than Notes which are consolidated (*assimilables* for the purpose of French law) and form a single series with notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in certain non-cooperative States or territories (*Etats ou territoires non coopératifs*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State** or **Non-Cooperative States**). If such payments under the Notes are made outside France in certain Non-Cooperative States, a 75 per cent. withholding tax will be applicable by virtue of Article 125 A III of the French *Code général des impôts* (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues with respect to such Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account held with a financial institution established in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 30 per cent. (to be aligned with the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75 per cent. for payments made outside France in certain Non-Cooperative States (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of an issue of Notes if the Issuer can prove that the main purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (a) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (b) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider or any other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (c) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

*Notes which are consolidated (assimilables for the purpose of French law) with notes issued before 1 March 2010*

Payments of interest and other revenues with respect to Notes issued from 1 March 2010 and which are consolidated (*assimilables* for the purpose of French law) and form a single series with notes issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20140211, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the aforementioned *Bulletin Officiel des Finances Publiques-Impôts*.

In addition, interest and other revenues paid by the Issuer on Notes issued from 1 March 2010 and which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with notes issued before 1 March 2010 will not be subject to the Deductibility Exclusion and will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid to an account held with a financial institution established in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

#### ***Withholding taxes on payments made to individuals who are fiscally domiciled in France***

Pursuant to Article 125 A I of the French *Code général des impôts* (where the paying agent (*établissement payeur*) is established in France), subject to certain exceptions, interest and similar income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of

withholding at a global rate of 17.2 per cent. on such interest and similar income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

### ***Transfer tax and other taxes***

*The following may be relevant in connection with Notes which may be settled or redeemed by way of physical delivery of certain listed shares issued by companies whose registered office is located in France (or certain assimilated securities) or securities representing such shares (or assimilated securities).*

The French financial transaction tax provided under Article 235 *ter* ZD of the French *Code général des impôts* (the **French FTT**) is applicable, subject to certain exceptions, at a rate of 0.3 per cent to any acquisitions for consideration resulting in a transfer of ownership of (i) equity securities (*titres de capital*) as defined by Article L.212-1 A of the French *Code monétaire et financier* or assimilated equity securities (*titres de capital assimilés*) as defined by Article L.211-41 of the French *Code monétaire et financier*, provided that they are admitted to trading on a regulated market and that they are issued by a company whose registered office is located in France and whose market capitalisation exceeds 1 billion Euros on 1 December of the year preceding the year in which the imposition occurs (the **French Shares**) or (ii) securities (*titres*) representing such French Shares (irrespective of the location of the registered office of the issuer of such securities).

There are a number of exemptions from the French FTT and investors should consult with their counsel to identify whether they can benefit from them.

If the French FTT applies to an acquisition of French Shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1 per cent to the sale of shares issued by a company whose registered office is located in France, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement.

## **LUXEMBOURG**

*The statements herein regarding withholding tax considerations in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and are subject to any changes in law.*

*The following information is of a general nature only, is not intended to be, nor should it be construed to be, legal or tax advice, and does not purport to be a comprehensive description of all the Luxembourg tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject and as to their tax position, as a result of the purchase, ownership and disposal of the Notes.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.*

### **Withholding Tax**

#### **(a) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

**(b) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 20 per cent.

**SWITZERLAND**

*The following statements and discussions of certain Swiss tax considerations relevant to the purchase, ownership and disposition of Notes are of a general nature only and do not address every potential tax consequence of an investment in Notes under Swiss law. This overview is based on treaties, laws, regulations, rulings and decisions currently in effect, all of which are subject to change. Potential investors will therefore need to consult their own tax advisers to determine the special tax consequences of the receipt, ownership and sale or other disposition of Notes. In particular, the precise tax treatment of a holder of Notes needs to be determined for each issue with reference to the full Conditions of the Notes specified in the applicable Final Terms under the law and practice at the relevant time.*

**Swiss Withholding Tax**

Payments on the Notes are currently not subject to Swiss withholding tax provided that the respective Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

On 4 November 2015, the Swiss Federal Council announced that it had mandated the Swiss Federal Finance Department to appoint a group of experts to prepare a proposal for reform of the Swiss withholding tax system. The proposal is expected to, among other things, replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. This paying agent-based regime is expected to be similar to the one contained in the draft legislation published by the Swiss Federal Council on 17 December 2014, which was subsequently withdrawn on 24 June 2015. However, on 23 October 2017, the Swiss Federal Economic Affairs and Taxation Committee of the Swiss National Council filed a parliamentary initiative reintroducing the request to replace the current debtor-based regime applicable to interest payments with a paying agent-based system that (i) subjects all interest payments made to individuals resident in Switzerland to Swiss withholding tax and (ii) provides an exemption from Swiss withholding tax for interest payments to all other persons (including Swiss corporations). If this legislation or similar legislation were enacted and a payment in respect of a Note were to be made or collected through Switzerland and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer, nor any paying agent nor any other person would pursuant to the Terms and Conditions of the Notes be obliged to pay additional amounts with respect to any Note as a result of the deduction or imposition of such Swiss withholding tax.

## Income Taxation

### *Notes held as Private Assets by a Swiss Resident Holder*

#### (a) *Structured Notes*

If a Note classifies as a structured note, its income taxation depends on whether the bond and the derivative financial instrument(s) embedded therein are recorded separately from each other and whether the Note classifies as a structured note with or without a predominant one-time interest payment:

*Non-transparent derivative financial instruments:* If the embedded bond is not recorded separately from the embedded derivative financial instrument(s), the Note classifies as non-transparent structured note and any return over the initial investment classifies as a taxable interest payment. Non-transparent derivative financial instruments generally include a predominant one-time interest payment and are taxed in accordance with the principles set forth below under "Transparent derivative financial instruments with a predominant one-time interest payment".

*Transparent derivative financial instruments without a predominant one-time interest payment:* If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment (see below "Transparent derivative financial instruments with a predominant one-time interest payment"), then any periodic interest payment and the one-time interest payment is taxed when paid to the holder of the Note. A gain, including interest accrued, a loss, respectively, realised on the sale of a Note is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively (see below "Capital Gains Taxation, Notes held as Private Assets by a Swiss Resident Holder"). The same applies if the Note is redeemed except that interest accrued is taxed when paid.

*Transparent derivative financial instruments with a predominant one-time interest payment:* If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments, then any periodic interest payments and on the sale or redemption of the Note, the difference between the value of the embedded bond at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted, in each case, into Swiss Francs at the exchange rate prevailing at the time of redemption or sale, issuance or purchase, respectively (modified differential taxation method) constitutes taxable income. A value decrease on the embedded bond respectively realised on the sale or redemption of the Note may be offset against any gains (including periodic interest payments) realised within the same taxation period from all instruments with a predominant one-time interest payment. Any residual return realised on the embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss, respectively (see below "Capital Gains Taxation, Notes held as Private Assets by a Swiss Resident Holder").

#### (b) *Bonds*

*Bonds without a predominant one-time interest payment:* If a Note classifies as a pure bond without a predominant one-time interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment), Swiss resident private investors will be taxed on the periodic and any one-time interest payments, converted into Swiss Francs at the exchange rate prevailing at the time of payment. A gain, including interest accrued, a loss, respectively, realised on the sale of a Note is a tax-free private capital gain, a non-tax-deductible



private capital loss, respectively (see below "Capital Gains Taxation, Notes held as Private Assets by a Swiss Resident Holder").

*Bonds with a predominant one-time interest payment:* If a Note classifies as a pure bond with a predominant one-time interest payment (the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), Swiss resident private investors will be taxed on any periodic interest payments and on any gains, including capital and foreign exchange gains, realised on the Notes (differential taxation method).

(c) *Pure Derivative Financial Notes*

Periodic and one-time dividend equalisation payments realised on a Note which classifies as a pure derivative financial instrument (such as pure call and put options, including low exercise price options with a maturity not exceeding one year, pure futures, static certificates replicating an index or a basket of shares, consisting of at least five shares and with a fixed maturity or an annual redemption right) and which is held as part of their private assets constitute taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "Capital Gains Taxation, Notes held as Private Assets by a Swiss Resident Holder").

(d) *Low Exercise Price Options*

According to the current practice of the Swiss Federal Tax Administration low exercise price options are given if the underlying of an option has been pre-financed by at least 50 per cent. at the time of issuance.

For low exercise price options with a maturity exceeding one year the interest component of the low exercise price option (i.e. issue discount) constitutes taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "Capital Gains Taxation, Notes held as Private Assets by a Swiss Resident Holder").

(e) *Fund-like Notes*

A Note classified as a fund-like instrument will be considered a pass-through instrument for Swiss tax purposes if dividend and interest income (less attributable costs) from, and capital gains and losses (less costs attributable) realised on, the underlying investments, are reported and distributed separately. Under such conditions, an individual holding a fund-like Note as part of private assets only receives taxable income (which he or she must report annually) over such portion of the distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investment) as derive from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain and any respective loss on the underlying investments is a non-tax-deductible private capital loss. Any gain realised within a taxation period on the sale of a fund-like instrument (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised a non-tax-deductible capital loss (see below "Capital Gains Taxation, Notes held as Private Assets by a Swiss Resident Holder").

*Notes held as Business Assets of a Swiss Resident Holder*

Corporate entities and individuals who hold Notes as part of a trade or business in Switzerland, in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption

of, such Notes (irrespective of their classification) in their income statement for the respective taxation period and will be taxed on any net taxable earnings for such period.

The same applies to Swiss resident individuals who, for income tax purposes, are classified as so-called professional securities dealers.

## **Capital Gains Taxation**

### *Notes held as Private Assets by a Swiss Resident Holder*

A gain, a loss, respectively, realized by an individual resident in Switzerland for tax purposes upon the sale or other disposal of a Note held as part of his or her private assets is in principal (exceptions applies amongst other in case of non-transparent derivative financial instruments and transparent derivative financial instruments with a predominant one-time interest payment) a tax-free private capital gain, a non-tax deductible capital loss, respectively, unless such individual is classified, for income tax purposes, as so-called professional securities dealers. If an individual is classified as so-called professional securities dealer he or she will in accordance with the principles set forth above under "Income Taxation, Notes held as Business Assets of a Swiss Resident Holder".

### *Notes held as Business Assets of a Swiss Resident Holder*

Capital gains realized on Notes held as business assets of a Swiss resident Holder are taxed in accordance with the taxation principles set forth above under "Income Taxation, Notes held as Business Assets of a Swiss Resident Holder".

## **Stamp Taxes**

### *Swiss Federal Issue Stamp Tax*

The Notes are not subject to Swiss federal stamp tax on the issuance of securities.

### *Swiss Federal Securities Turnover Tax*

Dealings in Notes which classify as pure derivative financial instruments (such as pure call and put options, including low exercise price options with a maturity not exceeding twelve months, pure futures with a maximal pre-financing of 25 per cent., static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) are not subject to the Swiss federal securities turnover tax.

Dealings (including delivery at issue) in Notes which have been issued by an issuer outside of Switzerland and which classify as structured notes, share-like instruments (including Low Exercise Price Warrants on shares with a pre-financing of 50 per cent. or more and a maturity exceeding twelve months) or fund-like instruments are subject to Swiss federal securities turnover tax of 0.3 per cent. on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Dealing in bonds and structured notes with a maturity not exceeding one year are exempt from Swiss federal securities turnover tax.

The delivery of an underlying taxable security at exercise or redemption to the holder of the Note is subject to Swiss federal securities turnover tax of 0.3 per cent. in case a security issued by an issuer outside Switzerland is delivered and of 0.15 per cent. in case a security issued by a domestic issuer is delivered, however, in each case, only if a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

## **Gift, Inheritance and Estate Taxes**

Subject to an applicable tax treaty in an international scenario, transfers of Notes may be subject to cantonal and/or communal inheritance tax, estate tax or gift tax if the deceased person has had his or her last domicile in Switzerland, the donor is resident in Switzerland, respectively, or in the case of a foreign deceased or resident person the transfer involves an unincorporated business in Switzerland and Notes are held as part of such business. No such taxes currently exist at the federal level. Rates depend upon the existing relationship (i.e. the relationship between the deceased and the heirs, or between the donor and the donee) and the size of the inheritance or gift. Interspousal gifts and gifts to descendants and inheritances collected by the surviving spouse and descendants are frequently exempt or taxed at very low rates. Gifts and inheritances received from unrelated persons attract rates up to around 55 per cent. (highly depending on the rates of the applicable canton/community). The taxable base is usually the market value of the property transferred.

## **Net Worth and Capital Taxes**

A holder of Notes who is an individual resident in Switzerland for tax purposes or is a non-Swiss resident holding Notes as part of a Swiss business operation or a Swiss permanent establishment is required to report Notes as part of private wealth or as part of Swiss business assets, as the case may be, and is subject to annual cantonal and/or communal private wealth tax on any net taxable wealth (including the Notes), in the case of non-Swiss resident individual holding Notes as part of a Swiss business operation or a Swiss permanent establishment to the extent the aggregate taxable wealth is allocable to Switzerland. Incorporated holders of Notes are subject to cantonal and/or communal capital tax on net taxable equity, in the case of non-Swiss resident person holding Notes as part of a Swiss permanent establishment, to the extent the aggregate taxable equity is allocable to Switzerland. No net worth and capital taxes exist at the federal level.

## **Non-Swiss Resident Holders**

A holder of a Note who is not resident in Switzerland for tax purposes and who during the taxation year has not engaged in trade or business carried on through a business operation or permanent establishment in Switzerland, will neither be subject to income tax and capital gains tax nor net wealth or capital tax in Switzerland.

## **Swiss Facilitation of the Implementation of the U.S. Foreign Account Tax Compliance Act**

Switzerland has concluded an intergovernmental agreement with the U.S. to facilitate the implementation of FATCA. The agreement ensures that the accounts held by U.S. persons with Swiss financial institutions are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance on the basis of the double taxation agreement between the U.S. and Switzerland. On 8 October 2014, the Swiss Federal Council approved a mandate for negotiations with the U.S. on changing the current direct-notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities.

## **International Automatic Exchange of Information in Tax Matters**

Switzerland has concluded a multilateral agreement with the European Union on the international automatic exchange of information (the **AEOI**) in tax matters. The agreement became effective as of 1 January 2017 and applies to all 28 EU member states and also Gibraltar. Also on 1 January 2017 the multilateral competent authority agreement on the automatic exchange of financial account information (the **MCAA**), and based on the MCAA, a number of bilateral AEOI agreements with other countries became effective. Based on such agreements and the implementing laws of Switzerland, Switzerland collects data in respect of financial assets, including, as the case may be, Notes, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in an EU member state or

resident in a treaty state from 2017 or 2018, exchanges the data or will exchange it from 2018 or 2019, in each case depending on the effectiveness of the relevant agreement. Switzerland has signed and intends to sign further AEOI agreements with further countries, which, subject to ratification, will become effective at a later date. An up-to-date list of the AEOI agreements of Switzerland in effect or signed and becoming effective can be found on the website of the State Secretariat for International Financial Matters.

## **FEDERAL REPUBLIC OF GERMANY**

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

*As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.*

*The law as currently in effect provides for a reduced tax rate for certain investment income. Please note that for the formation of a new German federal government provides that the flat tax regime shall be partially abolished for certain capital investment income. The coalition agreement further provides that the solidarity surcharge shall be abolished in stages provided that the individual income does not exceed certain thresholds. There is however no draft bill available yet and a lot of details are hence still unclear.*

*Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.*

### **Tax Residents**

The section "Tax Residents" refers to persons who are tax residents of Germany (*i.e.* persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

#### *Withholding tax on ongoing payments and capital gains*

Ongoing payments received by an individual holder of the Notes will be subject to German withholding tax if the Notes are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). For individual holders who are subject to church tax, an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The same treatment applies to capital gains (*i.e.* the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by an individual holder provided the Notes have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Notes are acquired and/or sold in a currency other than Euro, the sales price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the

sale date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If interest coupons or interest claims are disposed of separately (*i.e.* without the Notes), the proceeds from the disposition are subject to withholding tax. The same applies to proceeds from the redemption of interest coupons or interest claims if the Notes have been disposed of separately.

If Notes qualifying as a forward/futures or option transaction (*Termingeschäft*) according to sec. 20 para. 2 sent. 1 no. 3 German Income Tax Act (*Einkommensteuergesetz*) are settled by a cash payment, capital gains realised upon exercise (*i.e.* the cash amount received minus directly related costs and expenses, *e.g.* the acquisition costs) are subject to withholding tax. In the event of physical delivery, the acquisition costs of such Notes plus any additional sum paid upon exercise are generally regarded as acquisition costs of the underlying assets received upon physical settlement. Withholding tax may then apply to any gain resulting from the subsequent disposal, redemption, repayment or assignment of the assets received, in particular if they are securities. In case of certain assets being the underlying (*e.g.* commodities or currencies) a subsequent sale of the underlying received may not be subject to German withholding tax as outlined in this section but any disposal gain may be fully taxable at the personal income tax rate of the individual holder.

In case of a physical settlement of certain Notes (not qualifying as forward/futures or option transactions) which grant the Issuer or the holder the right to opt for a physical delivery of underlying securities instead of a money payment, the acquisition costs of the Notes may be regarded as proceeds from the disposal, redemption, repayment or assignment of the Notes and hence as acquisition costs of the underlying securities received by the individual holder upon physical settlement; any consideration received by the holder of the Notes in addition to the underlying securities may be subject to withholding tax. To the extent the provision mentioned above is applicable, generally no withholding tax has to be withheld by the Disbursing Agent upon physical settlement as such exchange of the Notes into the underlying securities does not result in a taxable gain for the individual holder. However, withholding tax may then apply to any gain resulting from the disposal, redemption, repayment or assignment of the securities received in exchange for the Notes. In this case, the gain will be the difference between the proceeds from the disposal, redemption, repayment or assignment of the underlying securities and the acquisition costs of the Notes (after deduction of expenses related directly to the disposal, if any).

To the extent the Notes have not been kept in a custodial account with the same Disbursing Agent since the time of their acquisition or if the Notes have been transferred into the custodial account of the Disbursing Agent only after their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes (**Accrued Interest**, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or certain other countries (*e.g.* Switzerland or Andorra).

Pursuant to administrative guidance losses incurred by a noteholder from bad debt (*Forderungsausfall*) or a waiver of a receivable (*Forderungsverzicht*) are generally not tax-deductible. The same rules should apply if the Notes expire worthless. However, in a recent case the Federal Tax Court (*Bundesfinanzhof*) did not follow this view holding that losses are deductible against other investment income if they are final, *i.e.* no further payment can be expected, *e.g.* upon conclusion of an insolvency procedure over the borrower's assets. It still needs to be seen whether the tax authorities will follow this view.

According to administrative guidance, where a Note qualifies as a full risk security (*Vollrisikozertifikat*) which provides for several payments to be made to the holder such payments shall qualify as taxable investment income, unless the terms and conditions of the Notes explicitly provide for the redemption or partial redemption during the term of the Notes and these terms and conditions are complied with. If the terms of the Notes do not provide for final payment at maturity or no such payment is made any losses incurred upon, expiry of such Notes shall not be tax-deductible.

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by the individual holder of the Notes via the Disbursing Agent (*e.g.* losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held by the individual holder in the custodial account with the Disbursing Agent.

Individual holders may be entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for couples and partners filing jointly) for all investment income received in a given year. Upon the individual holder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the holder of the Notes has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as holder while ongoing payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business or are related to income from the letting and leasing of property, subject to further requirements being met.

#### *Taxation of current income and capital gains*

The personal income tax liability of an individual holder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process or if the withholding tax on disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), the individual holder must report his or her income and capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge thereon and church tax, where applicable). Further, an individual holder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemised basis is not permitted.

Losses incurred with respect to the Notes can only be off-set with investment income of the individual holder of the Note realised in the same or the following years. Any losses realised upon the disposal of shares in stock corporations received in exchange for the Notes can only be offset against capital gains deriving from the disposal of shares.

Where Notes form part of a trade or business or the income from the Notes qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as zero bonds and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective holder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the holder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the holder. Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. Generally the deductibility of capital losses from the Notes which qualify for tax purposes as forward/futures or option transactions is limited. These losses may only be applied against profits from other forward/futures or option transactions derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and applied against profits from forward/futures or option transactions in subsequent years.

In the case of physically settled Notes special limitations may apply to losses from the disposal of an underlying which is a share in a corporation.

### *German Investment Taxation*

If a Note (in particular a Note which is physically settled by delivery of fund shares, fund units or similar instruments or a Note which replicates the performance of an investment fund) was considered to qualify as an investment fund unit within the meaning of the German Investment Tax Act (*Investmentsteuergesetz*), tax consequences different from those discussed above would apply. A Holder subject to German taxation may then be required to include into his or her taxable income unrealized gains from the appreciation in value of the Note which may be deemed to be a portion of the fair market value of the Note at the relevant time. In general, the taxed unrealized gains will be deductible in computing the capital derived from the disposal, redemption or termination of the Note.

### **Non-residents**

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the holder or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "*Tax Residents*" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and capital gains. However, where the income is subject to German taxation as set forth in the preceding paragraph and the Notes are kept or administered in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or an interest coupon are paid by a Disbursing Agent to a non-resident upon delivery of the Notes or interest coupons, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

### **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

### **Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

## **THE NETHERLANDS**

### **General**

*The following overview outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This overview is*

*intended as general information only for holders of Notes who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes.*

*This overview is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.*

This overview does not address the Netherlands corporate and individual income tax consequences for:

- (a) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (b) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Act 1956 (*Successiewet 1956*);
- (c) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative;
- (d) individuals to whom Notes or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands;
- (e) investment institutions (*fiscale beleggingsinstellingen*); and
- (f) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Netherlands corporate income tax.

Where this overview refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Where this summary refers to a "holder of Notes" or "holder", such reference is restricted to a person holding legal title as well as an economic interest in such Notes.

This summary does not describe the consequences of the exchange or conversion of the Notes.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

### **Netherlands Withholding Tax**

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, except where Notes are issued that are redeemable in



exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by any entity related to the Issuer where such entity is a tax resident of The Netherlands for Netherlands dividend withholding tax purposes.

### **Netherlands Corporate and Individual Income Tax**

If a holder of Notes is a resident or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands for individual income tax purposes), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 51.75 per cent.) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (a) the individual holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) applies to the individual holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January) insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 30 per cent.

### **Netherlands Gift and Inheritance Tax**

Generally, gift tax (*schenkbelasting*) or inheritance tax (*erfbelasting*) will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on behalf of, or on the death of, a holder of Notes that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands Gift and Inheritance Tax Act 1956 at the time of the gift or his or her death. A gift made under a condition precedent is for purposes of the Netherlands Gift and Inheritance Act 1956 deemed to be a made at the time the condition precedent is fulfilled and is subject to gift tax if the donor is, or is deemed to be a resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956 if he or she has been resident in the Netherlands and dies or makes a donation within ten years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands Gift and Inheritance Tax Act 1956 if he or she has been resident in the Netherlands and makes a donation within a twelve months period after

leaving the Netherlands. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

### **Netherlands Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

### **Other Netherlands Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

## **UNITED KINGDOM**

**The following applies only to persons who are the beneficial owners of Notes and is an overview of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs (HMRC) practice relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers) to whom special rules may apply. References in this section to interest shall mean amounts that are treated as interest for the purposes of United Kingdom taxation. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.**

### **Interest on the Notes**

#### *Payment of interest on the Notes*

Payments of interest on the Notes that does not have a United Kingdom source may be made without withholding on account of United Kingdom income tax.

## **B. OUTSIDE EUROPE**

### **HONG KONG**

*The statements below regarding taxation are based on the law and practice of Hong Kong at the date of this Base Prospectus and are subject to any subsequent changes in law or practice (which could be made on a retrospective basis). The following statements do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and may not apply equally to all persons. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of their ownership of the Notes.*

### **Withholding Tax**

No withholding tax is payable in Hong Kong in respect of payments of principal, premium on redemption of the Notes or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

### **Profits Tax**

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (a) interest on the Securities is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the **Inland Revenue Ordinance**)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (b) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong; or
- (c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance).

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person (other than a corporation) who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

Gains or profits received by or accrued to a financial institution from the sale, disposal and redemption of the Notes arising through or from the carrying on by the financial institution of its business in Hong Kong will be subject to profits tax.

### **Stamp Duty**

Stamp duty will not be payable on the issue of Bearer Notes provided either:

- (a) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (b) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong) (the **Stamp Duty Ordinance**)).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided that either:

- (i) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the amount or value of the consideration. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

## **PEOPLES REPUBLIC OF CHINA (PRC)**

*The following overview describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are residents of mainland China for PRC tax purposes. These beneficial owners are referred to as PRC holders in this "PRC Taxation" section. If you are considering the purchase of the Notes, you should consult your own tax advisors with regard to the application of PRC tax laws to your particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.*

### **Income Tax**

If the holder of the Notes is a PRC enterprise or individual who, or which, is resident of mainland China (**PRC resident**) for PRC tax purposes, pursuant to the PRC Enterprise Income Tax Law (the **PRC EIT Law**) and the PRC Individual Income Tax Law and their implementation rules, an income tax shall be levied on both payment of interest gained by a PRC resident in respect of the Notes and the gains realized by such holder from the transfer of the Notes. The current rates of such income tax are 20 per cent (for PRC resident individuals) and 25 per cent (for PRC resident enterprises).

Under the PRC EIT Law and its implementation rules, enterprises which were incorporated in the PRC and enterprises which were incorporated under the laws of a foreign jurisdiction with its "place of effective management" located within the PRC (collectively, **Resident Enterprises**) are subject to enterprise income tax (**EIT**) at the general rate of 25 per cent on its worldwide income.

A "place of effective management" refers to the place where the material and overall management and control over the business, personnel, accounts and assets of the enterprise are exercised. In April 2009, the State Administration of Taxation (**SAT**) issued Circular *GuoShuiFa* [2009] No. 82 (**Circular 82**) specifies that certain criteria for determining whether the "place of effective management" is located within the PRC for enterprises incorporated outside of China and controlled by PRC enterprises, which include: (a) the location where senior management members responsible for an enterprise's daily operations discharge their duties; (b) the location where financial and human resource decisions are made or approved by organizations or persons; (c) the location where the major assets and corporate documents are kept; and (d) the location where more than half (inclusive) of all directors with voting rights or senior management have their habitual residence.

If the Issuer is considered to be a PRC resident enterprise because its place of effective management is deemed to be within China, interest paid to non-resident holders and gains realized by such non-resident holders from transfer of the Notes may be regarded as income from sources within the PRC and therefore be subject to a 10 per cent. enterprise income tax if the holder is a non-PRC resident enterprise, or 20 per cent. individual income tax if the holder is a non-PRC resident individual, unless such income tax is reduced or exempted by any applicable tax treaty.

If the Issuer is not considered a PRC resident enterprise, the holders of the Notes who are not PRC residents for PRC tax purposes will not be subject to income tax in respect of interest payment or gains realized from transfer of the Notes.

## **Value-Added Tax**

On 23 March 2016, the Ministry of Finance and the State Administration of Taxation promulgated the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-Added Tax to Replace Business Tax (Cai Shui [2016] No. 36, **Circular 36**), pursuant to which, starting from 1 May 2016, value-added tax (**VAT**) shall be applicable to provision of financial services and transfer of financial products within China by any entities or individuals, replacing business tax. According to Circular 36, sale of services would be considered as being provided in China if the service provider or recipient is situated in China, but services that are provided by offshore entities or individuals to onshore entities or individuals and completely take place outside of China shall not be deemed as services provided within China. Subject to further clarification of the Chinese tax authorities, if the holder of the Notes is a resident enterprise or individual of the PRC, receiving interest under the Notes or gains from the transfer of the Notes by such holder may be deemed as the holder providing loans to the Issuer or transferring the Notes in China, subject to VAT in China. The applicable VAT rate shall be 6 per cent. for general VAT payers and 3 per cent. for small-scale VAT payers. Such VAT could be exempt for transfer of the Notes by PRC individuals and security investment funds. If the Issuer is not considered a PRC resident enterprise, holders of the Notes who are not PRC residents for PRC tax purposes will not be subject to VAT in respect of interest payment or gains realized from transfer of the Notes.

## **REPUBLIC OF KOREA**

*The following overview is based upon the tax laws, regulations, rulings, decrees, income tax conventions (treaties), administrative practice and judicial decisions of Korea effective currently, all of which are subject to change, possibly with retroactive effect. Such changes could affect the statements and conclusions set forth herein. This overview does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of the Note. Investors of the Note are advised to consult their own tax advisers as to the tax consequences under the tax laws of Korea or any other consequences of the purchase, ownership and disposition of such Notes, including the effect of any national, state or local tax laws.*

As long as the Notes are issued by a foreign corporation which does not have a permanent establishment and not purchased by a Korean corporation, a Korean resident or a foreign corporation (including a non-resident) having a permanent establishment in Korea, the purchasers of the Notes would not face any Korean tax consequences on the payments of interest and principal on the Notes to the extent that the Notes have no nexus in Korea for Korean tax purposes.

If the Notes are purchased by a Korean corporation, the interest income thereon would be subject to Korean taxation. Korean corporations are subject to corporate income tax (including local income tax) at 11 per cent up to taxable base of KRW 200 million, 22 per cent for taxable base between KRW 200 million and KRW 20 billion, 24.2 per cent for taxable base between KRW 20 billion and KRW 300 billion, and 27.5 per cent for excess of KRW 300 billion. Korean resident individuals are subject to individual income tax at the graduated rates between 6.6 per cent and 46.2 per cent depending on the amount of taxable base. If the interest on the Notes is attributable to a permanent establishment of a foreign corporation or a non-resident, the interest would be taxed similarly in Korea as those of a Korean corporation or a Korean resident.

Korea allows tax credits for the income taxes paid or withheld to a foreign government within the limitation under the Korean tax Code.

When the Notes are sold by a Korean corporation, a Korean resident or a foreign corporation (including a non-resident) having a permanent establishment in Korea, it would be required to recognize income on the accrued interest. The capital gain on the sale of the Note would also be subject to Korean taxation if the Note holder is a Korean corporation. However, if the Note-holder is a Korean individual, such capital gains would not be taxed.

Nonetheless, profits arising from derivative-linked securities (**DLS**) would be taxed as dividend income for Korean tax purposes (Article 17(1)(5-2) of the Personal Income Tax Law (Dividend Income)).

Distinction between floating rate notes (which are treated as debt securities) and DLS for Korean tax purposes remains unclear in practice.

## **SINGAPORE**

*The statements below are general in nature and do not purport to comprehensively address the Singapore tax treatment for all kinds of Notes or all holders of the Notes. **In particular, the Notes will often be complex structured debt securities which may give rise to tax issues not addressed in this section.***

*The statements are based on certain aspects of current tax laws in Singapore, announced budget measures that may not have been enacted and administrative guidelines issued by the relevant authorities applicable as at the date of this Base Prospectus and are subject to the enactment of such budget measures and any changes in such laws, announced budget measures or administrative guidelines, or the interpretation of those laws, budget measures or guidelines, occurring after such date, which changes could be made on a retroactive basis.*

*Investors and prospective investors in the Notes should consult their own tax advisers regarding the tax consequences to them of the acquisition, holding or disposal of any Notes.*

### **Interest and Other Payments**

#### ***Notes issued by Crédit Industriel et Commercial through its Singapore Branch***

Under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (**ITA**), interest, commission, fee or other payments made on Notes issued by Crédit Industriel et Commercial through its Singapore Branch are deemed to constitute Singapore-sourced income.

Subject to the following paragraphs, such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17 per cent. with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from debt securities is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), prepayment fees, redemption premiums and break costs, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

However, under the Qualifying Debt Securities Scheme, if more than half of the principal amount of any particular tranche of the Notes are distributed by persons who are Financial Sector Incentive (Standard Tier) Compan(ies) or Financial Sector Incentive (Capital Market) Compan(ies) or Financial Sector Incentive (Bond Market) Compan(ies) for the purposes of the ITA, that tranche of Notes (**Relevant Notes**) issued between the date of this Base Prospectus to 31 December 2023 will constitute "qualifying debt securities" (or **QDS**) for the purposes of the ITA, to which the following shall apply:

- (a) subject to certain conditions having been fulfilled (including the lodging of a Return on Debt Securities within a specified period to the MAS, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium, and break cost (collectively, Qualifying Income) from the Relevant Notes, derived by a holder who is not resident in Singapore and who does not have any permanent establishment in Singapore is exempt from Singapore tax. Non-residents who carry on any operation through permanent establishments in Singapore also have the benefit of this exemption, provided that the Notes are not acquired using funds from Singapore operations. Funds from Singapore operations means, in relation to a person, the funds and profits of that person's operations through a permanent establishment in Singapore;
- (b) subject to certain conditions having been fulfilled (including the lodgment of a Return on Debt Securities within a specified period to the MAS), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent.;
- (c) subject to:
  - (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (ii) the lodging of a Return on Debt Securities within a specified period to the MAS,

Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the Issuer.

**It should be noted that the withholding tax benefits under the Qualifying Debt Securities regime will not apply unless the statements referred to in paragraphs (a) and (c)(i) above are included in all offering documents (including the Base Prospectus and any relevant Final Terms or (if applicable) pricing supplement). However, the withholding tax exemption for payments under Section 12(6) of the ITA made by issuers who are banks described below may continue to apply.**

However, notwithstanding the foregoing:

- (a) if during the primary launch of any Relevant Notes, the Relevant Notes are issued to fewer than four persons and 50 per cent. or more of the principal amount of the Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Relevant Notes would not qualify as "qualifying debt securities"; and
- (b) even though Relevant Notes are "qualifying debt securities", if at any time during the tenure of the Relevant Notes, 50 per cent. or more of the principal amount of the Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Relevant Notes held by (1) any related party of the Issuer, or (2) any other person where the funds used by such person to acquire the Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer, shall not be eligible for the tax exemption or concessionary tax rate described above.

For this purpose:

- (i) "**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- (ii) "**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
- (iii) "**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
- (iv) "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Qualifying Income derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

***The Qualifying Debt Securities Plus Scheme (QDS+ Scheme)***

Under the QDS Plus Scheme, subject to certain conditions and qualifications, income tax exemption is granted on Qualifying Income derived by any investor (including Singaporean investors) from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued on or before 31 December 2018;
- (b) have an original maturity date of not less than 10 years;
- (c) cannot have their tenure shortened to within 10 years from the date of their issue except where
  - (i) the shortening of the tenure is a result of any early termination pursuant to certain early termination clauses specified in the Schedule to the Income Tax (Qualifying Debt Securities) Regulations (**Regulations**) which the Issuer has included in any offering document for such qualifying debt securities; and
  - (ii) the qualifying debt securities do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the qualifying debt securities at the time of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

Examples of "standard" redemption clauses referred to in the Schedule to the Regulations are a: (a) change in tax law event, (b) default event, (c) change of control or change of shareholding event, (d) change in listing status of an issuer or trading disruption event, (e) change of qualification event due to regulatory capital requirements, (f) change in accounting classification, (g) change in rating, (h) repurchase upon a non-compliance event, (i) purchase provision and (j) modification and amendment provision. Please refer to the Regulations for further details on the "standard" redemption clauses.

It was announced in the Singapore Budget Statement 2018 that the QDS Plus Scheme will be allowed to lapse after 31 December 2018, but debt securities with tenures of at least 10 years which are issued on or



before 31 December 2018 can continue to enjoy the tax concessions under the QDS Plus Scheme if the conditions of such scheme as set out above are satisfied.

***Treatment of holders of the Financial Sector Incentive – Standard Tier incentive***

The 10 per cent concessionary tax rate for QDS as described above will not apply to companies that hold the Financial Sector Incentive – Standard Tier incentive.

Such companies may enjoy a 12 per cent tax rate instead in accordance with, and subject to their terms and conditions of, their Financial Sector Incentive - Standard Tier incentive award.

***Withholding tax exemption for payments by banks to non-residents***

The Singapore Government had proposed in the 2011 budget that payments falling within Section 12(6) of the ITA and made by (amongst certain other persons) licensed banks in Singapore to persons who are non-Singapore tax-residents (other than permanent establishments in Singapore):

- (a) between 1 April 2011 and 31 March 2021; or
- (b) on a contract which takes effect between 1 April 2011 and 31 March 2021,

will be exempt from tax, provided the payments are made for the purposes of the licensed bank's business in Singapore and the payments do not arise from a transaction to which the general anti-avoidance provisions in Section 33 of the ITA applies.

With effect from 17 February 2012, (amongst certain other persons) licensed banks are no longer required to withhold tax on payments falling within Section 12(6) of the ITA which they are liable to make to permanent establishments in Singapore of a non-resident person:

- (a) between 17 February 2012 and 31 March 2021 on contracts that take effect before 17 February 2012; and
- (b) on or after 17 February 2012 on contracts that take effect between 17 February 2012 to 31 March 2021.

With effect from 21 February 2014, the expiry date of 31 March 2021 referred to in the immediately preceding paragraph does not apply to payments to Singapore branches of non-resident persons as the requirement to withhold tax from payments to Singapore branches has been lifted.

***Notwithstanding the preceding paragraph, permanent establishments (including branches) in Singapore of a non-resident person are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax).***

***Notes issued by Crédit Industriel et Commercial but not through its Singapore Branch***

Where Notes are issued by Crédit Industriel et Commercial but not through its Singapore Branch, whether income, commissions, fees and other payments on such Notes would be Singapore-source income or foreign-source income would depend on the specific facts, including the circumstances of the taxpayer.

For example, where the income is derived by a licensed bank carrying on business in Singapore, the income is likely to be regarded as Singapore-source trade or business income of the bank, but the position may be different in the case of, for example, an individual. Noteholders are accordingly advised to consult their own tax advisers regarding the question of whether income, commissions, fees and other payments derived by

them from Notes issued by Crédit Industriel et Commercial but not through its Singapore Branch are Singapore-source or foreign-source for Singapore tax purposes.

Where income is regarded as foreign-sourced for tax purposes, it would be taxable in Singapore only if it is received (or deemed received) in Singapore. Individuals are, however, exempt from income tax on all foreign-source income received (or deemed received) in Singapore, other than income derived through a partnership in Singapore.

In addition, where income on any Notes issued by Crédit Industriel et Commercial but not through its Singapore Branch are QDS, the concessionary rate of tax applicable to companies and bodies of persons (as defined in the ITA) in Singapore on Qualifying Income from QDS would be applicable, subject to substantially the same requirements, terms and conditions as discussed above.

### **Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or are required to apply Singapore Financial Reporting Standard 39 (**FRS 39**) or Singapore Financial Reporting Standard 109 (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (**SFRS(I) 9**) (as the case may be) may for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes”.

### **Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes**

Subject to certain “opt-out” provisions, Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section. The IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement” to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. In contrast to the position under the FRS 39 tax regime, taxpayers will not have the choice to opt out from the FRS 109 tax regime. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 or SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

### **TAIWAN**

*The following summary of certain taxation provisions under Taiwan law is based on current law and practice and assumes that the Notes will be issued, offered, sold or re-sold, directly or indirectly, to*

*professional investors as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of Taiwan only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.*

### **Interest on the Notes**

As the Issuer is not a Taiwanese statutory tax withholder, there is no Taiwanese withholding tax on the interest or deemed interest to be paid on the Notes.

Payments of interest or deemed interest under the Notes to a Taiwan individual holder are not subject to Taiwan income tax as such payments received by him/her are not considered to be Taiwan-sourced income. However, such holder must include the interest or deemed interest in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax (**AMT**), unless the sum of the interest or deemed interest and other non-Taiwan-sourced income received by such holder and the person(s) who is(are) required to jointly file the tax return in a calendar year is below NT\$1 million. If the amount of the AMT exceeds the annual income tax calculated pursuant to the Income Basic Tax Act of Taiwan (also known as the **AMT Act**), the excess becomes such holder's AMT payable.

Taiwan corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20% (unless the total taxable income for a fiscal year is under NT\$500,000), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

### **Sale of the Notes**

In general, the sale of corporate bonds or financial bonds is subject to 0.1% securities transaction tax (**STT**) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of Taiwan prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the notes will be subject to STT at 0.1% of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, Taiwan individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, Taiwan individual holders are not subject to AMT on any capital gains generated from the sale of the notes. However, Taiwan corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the Income Basic Tax Act of Taiwan, the excess becomes the Taiwan corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

### **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, withholding may be required on, among other things, (i) certain payments made by foreign financial institutions (foreign passthru payments), (ii) dividend equivalent payments (as described below in "*U.S. Dividend Equivalent Withholding*") and (iii) payments of gross proceeds from the disposition of securities that generate dividend equivalent payments, in each case, to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial

institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. If withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments or payments of gross proceeds from the disposition of Notes that generate dividend equivalent payments, such withholding would not apply prior to the date that is two years after the date on which the final U.S. Treasury Regulations defining foreign passthru payments are published in the Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or before the relevant grandfathering date would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). The grandfathering date for (A) Notes that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, and (B) Notes that give rise to a dividend equivalent pursuant to Section 871(m) of the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents. If additional notes (as described under "*Terms and Conditions of the French Law Notes—Further Issues*" and "*Terms and Conditions of the English Law Notes*") that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

### **U.S. Dividend Equivalent Withholding**

Section 871(m) of the U.S. Internal Revenue Code of 1986 treats a "dividend equivalent" payment as a dividend from sources within the United States that is generally subject to a 30% U.S. withholding tax which may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). U.S. Treasury regulations issued under Section 871(m) and applicable guidance (the **Section 871(m) Regulations**) require withholding on certain non-U.S. holders of the Notes with respect to amounts treated as dividend equivalent payments. Under the Section 871(m) Regulations, only a Note that has an expected economic return sufficiently similar to that of the underlying U.S. security, based on tests set forth in the Section 871(m) Regulations, will be subject to the Section 871(m) withholding regime (making such Note a **Specified Note**). Certain exceptions to this withholding requirement apply, in particular for instruments linked to certain broad-based indices.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on, or upon the date of maturity, lapse or other disposition of the Specified Note. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Note, withholding generally will still be required even if the Specified Note does not provide for payments explicitly linked to dividends. Additionally, the Issuer may withhold the full 30 per cent. tax on any payment on the Notes in respect of any dividend equivalent arising with respect to such Notes regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a non-U.S. holder is eligible for a reduced tax rate under an applicable tax treaty with the United States). A non-U.S. holder may be able to claim a refund of any excess withholding provided the required information

is timely furnished to the U.S. Internal Revenue Service. Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all. If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations generally apply to Specified Notes issued on or after 1 January 2017. If the terms of a Note are subject to a "significant modification" (as defined for U.S. tax purposes), the Note generally would be treated as retired and reissued on the date of such modification for the purposes of determining, based on economic conditions in effect at that time, whether such Note is a Specified Note. Similarly, if additional Notes of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of Notes out of inventory) after the original issue date, the IRS could treat the issue date for determining whether the existing Notes are Specified Notes as the date of such subsequent sale or issuance. Consequently, a previously out of scope Note, might be treated as a Specified Note following such modification or further issuance.

In addition, payments on the Specified Notes may be calculated by reference to dividends on underlying U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

The applicable Final Terms will indicate whether the Issuer has determined that Notes are Specified Notes and may specify contact details for obtaining additional information regarding the application of Section 871(m) to such Notes. A non-U.S. holder of Specified Notes should expect to be subject to withholding in respect of any underlying dividend-paying U.S. securities. The Issuer's determination is binding on non-U.S. holders of Notes, but it is not binding on the IRS. The Section 871(m) Regulations require complex calculations to be made with respect to Notes linked to U.S. securities and their application to a specific issue of Notes may be uncertain.

Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Notes.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 26 June 2019, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*", "*Terms and Conditions of the English Law Notes*" and "*Terms and Conditions of the French Law Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### **Prohibition of sales to EEA Retail Investors**

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area (the **EEA**). For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
  - (ii) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the **Prospectus Directive**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA which has implemented the Prospectus Directive, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in a Member State of the EEA, except that it may, make an offer of such Notes to the public in that Member State of the EEA:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State of the EEA (a **Public Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State of the EEA or, where appropriate, approved in another Member State of the EEA and notified to the competent authority in that Member State of the EEA, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Public Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

## France

Each of the Dealers and the Issuer has represented and agreed that:

(a) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public (*offre au public de titres financiers*) in France following the notification of the approval of this Base Prospectus to the *Autorité des marchés financiers* (AMF) by the CSSF and in the period beginning on the date of the publication of the Final Terms relating to the offer of Notes and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus by the CSSF, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and, as from 21 July 2019, regulation (EU) 2017/1129 as amended and any applicable French law and regulation; or

(b) **Private placement in France:**

it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the applicable Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and, as from 21 July 2019, regulation (EU) 2017/1129 as amended and any applicable French law and regulation.

## Hong Kong

Each Dealer has represented and agreed that and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the SFO) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO or (ii) in other circumstances which do not result in

the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## **India**

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell in India, by means of any document, any Notes in circumstances which would constitute an offering to the public within the meaning of the Companies Act 2013; and that any document by means of which it offers the Notes will not be generally distributed or circulated in India and will be for the sole consideration and exclusive use of the persons permitted to acquire Notes under Indian law to whom it is issued. This Base Prospectus is strictly personal to the recipient and neither this Base Prospectus nor the Issue is calculated to result, directly or indirectly, in the Notes becoming available for subscription or purchase by persons other than those receiving the invitation or offer.

The Notes have not been approved by the Securities and Exchange Board of India, the Reserve Bank of India or any other regulatory authority of India, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. This Base Prospectus has not been and will not be registered as a prospectus or a statement in lieu of prospectus with the Registrar of Companies in India.

Prospective investors must seek legal advice as to whether they are entitled to subscribe to the Notes and must comply with all relevant Indian laws in this respect. Each investor is deemed to have acknowledged and agreed that it is eligible to invest in the Notes under applicable laws and regulations and that it is not prohibited under any law or regulation in India from acquiring, owning or selling the Notes.

## **Indonesia**

The Notes have not been offered or sold and will not be offered or sold in Indonesia or to Indonesian nationals, corporations or to Indonesian citizens, wherever they are domiciled or to Indonesian residents, including by way of invitation, offering or advertisement, and neither the Base Prospectus nor any other Offering materials relating to the Notes have been distributed, or will be distributed, in Indonesia or to Indonesian nationals, corporations or residents in a manner which constitutes a public offering of the Notes under the laws or regulations of the Republic of Indonesia.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.



## Malaysia

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that the offer of Notes in Malaysia can only be made to investors specified in Schedules 2, 3 and 5 of the Securities Commission Act 1993 (i.e. sophisticated investors, e.g. unit trust schemes, licensed dealers, closed-end funds, fund managers, licensed financial institutions, licensed offshore banks, licensed insurance companies, corporations with total net assets exceeding ten million Malaysian ringgit or its equivalent in foreign currencies, statutory bodies and pension funds).

## People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the **PRC**) as part of the initial distribution of the Notes. This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Issuer does not represent that this Base Prospectus or any Final Terms may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Notes or distribution of this document in the PRC. Accordingly, the Notes are not being offered or sold within the PRC by means of this Base Prospectus, any Final Terms or any other document. Neither this Base Prospectus or any Final Terms, nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

## Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter*, first paragraph, letter (b) of CONSOB regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34 *ter* of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b)(ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

## **Republic of Korea**

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act. Each Dealer has represented and agreed, and each new Dealer further appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes in Korea or to, or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law), except as otherwise permitted under applicable Korean laws and regulations. Furthermore, each Dealer is aware that a holder of any Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of the Notes, except as otherwise permitted by applicable Korean laws and regulations. Each Dealer has further represented that it will take commercially reasonable best measures as an underwriter in the ordinary course of its business to prevent any Notes from being offered, sold or delivered to any Korean resident within one year from the issuance of the Notes.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivative contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred

within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**Notification under Section 309B(1)(c) of the SFA** – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **Switzerland**

The Dealers have agreed, and each further dealer appointed under the Programme will be required to agree, that it will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any regulations made by the Swiss National Bank, in relation to the offer, sale, delivery or transfer of the Notes or the distribution of any offering material in respect of such Notes.

#### **Taiwan**

The Notes may not be offered, sold or delivered to any person for reoffering, resale or redelivery, in any such case directly or indirectly, in Taiwan or to any resident of Taiwan in contravention of any applicable laws.

#### **Thailand**

This Base Prospectus has not been approved by or filed with the Securities and Exchange Commission or any other regulatory authority of the Kingdom of Thailand. Accordingly, the securities may not be offered or sold, or this Base Prospectus distributed, directly or indirectly, to any person in Thailand except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the Thai government and regulatory authorities in effect at the relevant time.

#### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S. Furthermore, each Dealer has represented and agreed that neither it, its affiliates, nor any persons acting on any of their behalf, has engaged or will engage in any "directed selling efforts" (as defined in Rule 902(c) of Regulation S) with respect to the Notes and each of the foregoing persons has complied and will comply with the offering restrictions requirement of Regulation S.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

- (a) In addition in respect of Notes where TEFRA D is specified in the applicable Final Terms:
  - (i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the **D Rules**), each Dealer (i) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

- (ii) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iii) if it is a United States person, each Dealer represents that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010); and
- (iv) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subclauses (i), (ii) and (iii) above on such affiliate's behalf.

Terms used in this subclause (a) have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder, including the D Rules.

In respect of Notes where TEFRA C is specified in the applicable Final Terms, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes.

Each issuance of Equity Linked Notes or Index Linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor. The Notes are offered to qualified and non-qualified investors.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### 1. Authorisation

No authorisation procedures are required of the Issuer by French law for the establishment or update of the Programme.

To the extent that Notes issued by the Issuer under the Programme may constitute *obligations* under French law, the issue of such Notes has been authorised by a resolution of the Issuer's *Conseil d'Administration* (Board of Directors) dated 19 February 2019 which has delegated to each of Philippe Vidal, Alexandre Saada and Christian Ander, the power to decide issues of *obligations* and assimilated securities for a maximum aggregate nominal amount of EUR 8,000,000,000 within the period ending 31 March 2020.

### 2. Clearing

The English Law Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The French Law Notes have been accepted for clearance through Euroclear France (which is the entity in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg or Euroclear France, as the case may be, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

### 3. Approval, Listing and admission to trading

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Directive on markets in financial instruments (Directive 2014/65/EU).

Application has been made for the delivery by the CSSF of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the (i) *Autorité des marchés financiers* in France, (ii) the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BAFin) in Germany, and (iii) the United Kingdom Listing Authority in United Kingdom. In compliance with Article 18 of the Prospectus Directive, such notification may also be made from time to time at the Issuer's request to any other competent authority of any other Member State of the EEA and to the European Securities and Markets Authority.

### 4. Documents available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available free of charge for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in Luxembourg and Paris in each case at the address given at the end of this Base Prospectus, on any week days (except Saturdays, Sundays and public holidays):

- (a) the *Statuts* of the Issuer;
- (b) the Issuer's latest audited consolidated audited financial statements;
- (c) the Issuer's latest unaudited consolidated interim financial statements;
- (d) the Programme Agreement, the Agency Agreement, the French Law Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons and the Deed of Covenant;
- (e) a copy of this Base Prospectus;
- (f) any future Base Prospectus, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (g) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

## **5. Pricing**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

## **6. Yield**

In relation to any Tranche of Fixed Rate Notes, an indication of yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

## **7. Significant or material adverse change**

There has been no significant change in the financial or trading position of the Group since 31 December 2018 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018.

## **8. Litigation**

Except as disclosed on page 385 of the 2018 AR, the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings including any such proceedings which are pending or threatened of which the Issuer is aware in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

## **9. Auditors**

The auditors of the Issuer are Ernst & Young et Autres and PricewaterhouseCoopers Audit, members of the *Compagnie Nationale des Commissaires aux Comptes*. They have audited the consolidated financial statements of the Issuer for the years ended 31 December 2017 and 31 December 2018.

**10. Post-issuance information**

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

**11. Conflicts of interest**

Certain of the Dealers and their affiliates and the Calculation Agent have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

To the knowledge of the Issuer, (1) the duties owed by the members of the *Conseil d'Administration* (Board of Directors) do not give rise to any potential conflicts of interest with such members' private interests or other duties and (2) it complies with its country of incorporation's corporate governance regime.

**12. Change of control**

To the knowledge of the Issuer, there are no arrangements the operation of which may at a subsequent date result in a change in control of the Issuer.

**13. Material contracts**

The Issuer has not entered into contracts outside the ordinary course of the Issuer's business, which could result in the Issuer or any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Notes in respect of the Notes being issued.

**14. Legal Entity Identifier (LEI)**

The Legal Entity Identifier (LEI) of the Issuer is N4JDFKKH2FTD8RKFXO39.



**Issuer**

**Crédit Industriel et Commercial**

6, avenue de Provence  
75009 Paris  
France  
Telephone number +33 (0)1 45 96 96 96

**Dealers**

**Banque de Luxembourg**

14, boulevard Royal  
L- 2449 Luxembourg  
Luxembourg

**CIC EST**

31, rue Jean Wenger-Valentin  
67000 Strasbourg  
France

**Crédit Industriel et Commercial**

6, avenue de Provence  
75009 Paris  
France

**Issuing Agent, Principal Paying Agent for English Law Notes and Listing Agent**

**BNP Paribas Securities Services, Luxembourg Branch**

60, avenue J.F. Kennedy, L-2085 Luxembourg  
Luxembourg

**Principal Paying Agent and Calculation Agent for French Law Notes**

**BNP Paribas Securities Services**

3, 5, 7 rue du Général Compans  
93500 Pantin  
France

**Calculation Agent**

**Banque de Luxembourg**

14, boulevard Royal  
L- 2449 Luxembourg  
Luxembourg

**Crédit Industriel et Commercial**

6, avenue de Provence  
75009 Paris  
France

**Auditors to the Issuer**

**Ernst & Young et Autres**

1, Place des Saisons  
92400 Courbevoie  
France

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92200 Neuilly-sur-Seine  
France

**Legal advisers to the Issuer and Dealers as to English and French law**

**Allen & Overy LLP**

52 avenue Hoche  
CS 90005  
75379 Paris Cedex 08  
France